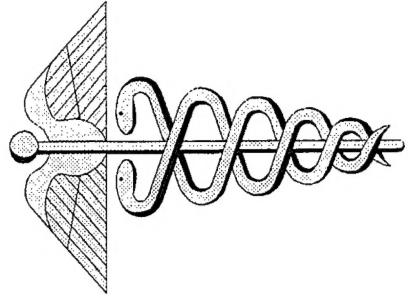
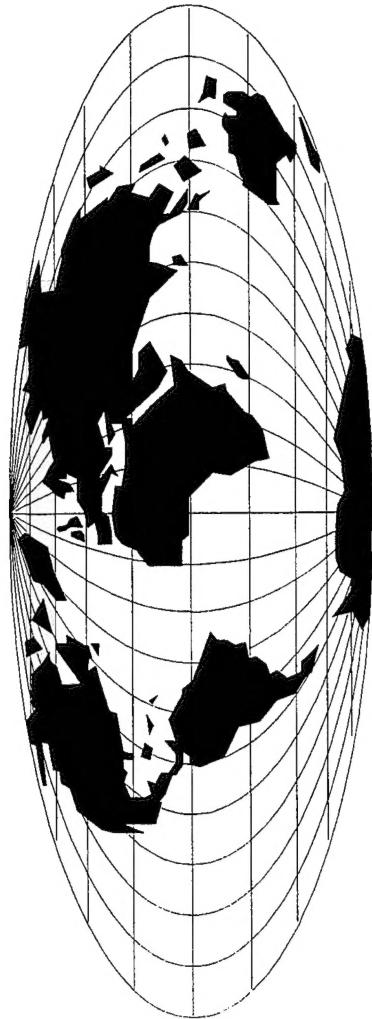
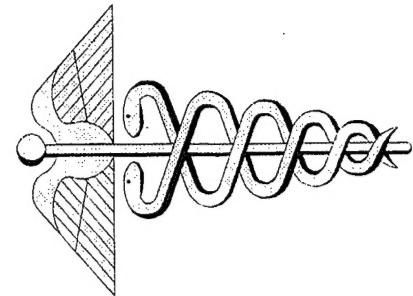


DEFENSE HEALTH PROGRAM



Justification of O&M Estimates

FY 1999 Amended Budget Estimates
Volume 1

DTIC QUALITY INSPECTED 2

February 1998

The Defense Health Program spans the globe to support the Department of Defense's most important resource--active and retired military members and their families.

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**DEFENSE HEALTH PROGRAM, VOLUME I
JUSTIFICATION OF O&M ESTIMATES
FY 1999 AMENDED BUDGET ESTIMATES**

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**DEFENSE HEALTH PROGRAM, VOLUME I
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**DEFENSE HEALTH PROGRAM, VOLUME I
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Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Requirements by Program Decision Unit
Budget Activity and Activity Group
($\$000s$)

<u>Defense Health Program</u>	<u>FY 1997</u> <u>Actuals</u>	<u>FY 1998</u> <u>Estimate</u>	<u>FY 1999</u> <u>Estimate</u>
In-House Care	3,322,022	3,228,642	2,961,844
Private Sector Care	3,878,704	4,068,030	4,070,395
Information Management	209,915	215,632	274,371
Education and Training	293,533	311,937	298,280
Management Headquarters	170,015	173,712	177,219
Other Health Activities	855,906	951,835	855,037
Base Operations	<u>1,017,649</u>	<u>977,519</u>	<u>1,016,289</u>
Subtotal	9,747,744	9,927,307	9,653,435
Procurement	<u>344,817</u>	<u>448,768</u>	<u>402,387</u>
Total	10,092,561	10,376,075	10,055,822

Defense Health Program
FY 1999 Amended Budget Estimates
Operations and Maintenance

I. Description of Operations Financed:

The Department of Defense (DoD) has two integrated medical missions: (a) to provide, and be ready to provide, medical services and support to the armed forces during military operations, and (b) to provide medical services and support to members of the armed forces, their dependents, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation funding provides support for worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Included are the costs associated with the Civilian Health and Medical Program of the Uniform Services (CHAMPUS) which provides for the health care of eligible active duty dependents, retired members and their dependents, and the eligible surviving dependents of deceased active duty and retired members. The DHP provides funding for acquisition of capital expense equipment in support of military medical treatment facilities, training facilities, and programs.

The remaining portion of the DHP appropriation funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded or altered health care facilities being constructed under major military construction programs: equipment for modernization and replacement of worn-out, obsolete, or economically reparable items; equipment in support of CHAMPUS and medical treatment facility information processing requirements; and equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health.

All of these activities are under the direction and control of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)). The ASD(HA), as the DoD officer responsible for the effective execution of the Department's mission works through the Secretaries of the Military Departments to accomplish the Department's medical mission. The Assistant Secretary's responsibilities include developing a unified medical program and budget, and developing policies that will allow the Department to perform its medical mission effectively.

II. Force Structure Summary: The Department of Defense accomplishes its world wide mission by using the Defense Health Program (DHP) appropriation to support the eligible beneficiary population through a system of 115 hospitals and 471 clinics (FY 1997), and includes a workforce of 103,888 military and 42,297 civilian personnel. The number of hospitals decreases to 108 in FY 1998 and 102 in the budget year FY 1999. The civilian personnel workforce reflects a reduction of 4 percent each year. Within the DHP, the reduction of civilian and military end strength will be offset by decreased requirements from overall downsizing, contractor managed care personnel, and purchasing care under TRICARE support contracts.

Defense Health Program
FY 1999 Amended Budget Estimates
Operations and Maintenance

III. Financial Summary (\$ in Thousands):

This submission includes Operation and Maintenance (O&M), and Procurement funds. The requirements supported by this budget are the product of the continued refinement and application of the DHP's capitation-based methodology developed in cooperation with the OUSD Comptroller and ODP&E. Capitation is one of the major components of the Department's managed care strategy. One of the unique aspects of the DHP's capitation model is that it considers all resources (i.e., both Operation and Maintenance funds and Military Personnel funds) used to produce the Department's health care services for eligible beneficiaries. Population estimates were taken from the Resource Analysis Planning System (RAPS) version 10.0.

The provision of health care in the DHP depends upon both O&M funds and military labor. A decline in either resource component (i.e. O&M and MILPERS), if not offset by an increase in the other component, reduces the DHP's ability to provide a consistent level of health care services to eligible DOD beneficiaries.

The financial requirements set forth in this budget considers the effects of force structure downsizing, Base Realignment and Closure (BRAC) plans, and the Quadrennial Defense Review. Other than major mission changes, there are three main factors that influence DHP funding requirements: (1) general inflation, (2) health services prices, or medical specific inflation, and (3) population composition and changes.

Defense Health Program
FY 1999 Amended Budget Estimates
Operations and Maintenance

A. Defense Health Program

	FY 1997 Actual	FY 1998 Request	FY 1998 Appropriated	FY 1998 Estimate
In-House Care	3,322,022	3,419,562	3,353,762	3,228,642
Private Sector Care	3,878,704	4,054,711	4,054,711	4,068,030
Information Management	209,915	222,329	219,329	215,632
Education & Training	293,533	300,486	319,486	311,937
Management Headquarters	170,015	157,840	157,840	173,712
Other Health Activities	855,906	853,707	970,932	951,835
Base Operations	<u>1,017,649</u>	<u>1,031,947</u>	<u>1,031,947</u>	<u>977,519</u>
Total	9,747,744	10,040,582	10,108,007	9,927,307
Foreign Currency (FY98 Adj)		-13,000	-13,000	
		10,027,582	10,095,007	

B. Reconciliation Summary:

	FY 1998/1999
Baseline Funding	10,040,582
Congressional Adjustments	67,425
Reprogramming	-13,000
Price Changes (Foreign Currency Adj FY98)	-167,700
Functional Transfers	-2,400
Program Changes	-572,571
Current Estimate	9,927,307

C. OP-32 Line Item: Not provided at the appropriation level because the DHP appropriation includes Procurement funds in addition to O&M funds.
 See Exhibit OP-32.

D. Reconciliation: Increases and Decreases: See Exhibit OP-5 Part 2.

Defense Health Program
FY 1999 Amended Budget Estimates
Operations and Maintenance

IV. Performance Criteria and Evaluation: Not provided at the appropriation level - see Exhibit OP-5 Part 2.

<u>Personnel Summary 1/</u>			
		<u>FY 1998</u>	<u>FY 1999</u>
Active Military End Strength			
Officer	36,031	35,119	34,704
Enlisted	67,857	<u>66,936</u>	<u>64,790</u>
Total Military	103,888	102,055	99,494
 <u>Civilian End Strength</u>			
US Direct Hire	39,931	39,444	38,585
Foreign National Direct Hire	<u>815</u>	<u>531</u>	<u>526</u>
Total Direct Hire	40,746	39,975	39,111
Foreign National Indirect Hire	<u>1,551</u>	<u>1,801</u>	<u>1,780</u>
Total Civilians	42,297	41,776	40,891
 (Reimbursable Civilians Included Above -memo)			
Active Military Work Years	596	500	499
Officer	36,004	35,575	34,912
Enlisted	<u>67,132</u>	<u>67,397</u>	<u>65,863</u>
Total Military	103,136	102,972	100,775
 <u>Civilian Work Years</u>			
US Direct Hire	40,639	40,005	38,958
Foreign National Direct Hire	<u>819</u>	<u>529</u>	<u>524</u>
Total Direct Hire	41,458	40,534	39,482
Foreign National Indirect Hire	<u>1,551</u>	<u>1,762</u>	<u>1,739</u>
Total Civilians	43,009	42,296	41,221
 (Reimbursable			
	626	527	524
			-3

1/ Included to show a unified medical program. Military and civilian end strength included in DoD Components, not the Defense Health Program.

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

1. FY 1998 President's Budget

2. Congressional Adjustments:

1. FY 1998 President's Budget	10,027,582
2. Congressional Adjustments:	67,425
a. Breast Cancer	25,000
b. Head Injury	1,000
c. Air Force Neuroscience	4,900
d. Diabetes Research	4,000
e. Epidermolysis Bullosa	1,000
d. Medical Imaging	3,500
f. Tissue Engineering	3,500
g. HIV	15,000
h. Minimal Invasive Research	13,000
i. Lab upgrades	8,000
j. Nervous System Studies	4,500
k. Gulf War Illness	4,500
l. PACMEDNET	10,000
m. High Risk Automation Systems	(20,000)
n. HPSP Tax Liability	(70,800)
o. Hepatitis A Vaccine	17,000
p. Military Health Information Services	7,000
q. USUHS	13,000
r. Pacific Island Health Care Program	5,000
s. Brown Tree Snakes	1,000
t. Cancer Control Program	8,925

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

u. Army Research Institute	5,400
v. Military Nursing Research	5,000
w. Disaster Management Training	5,000
x. Holloman Air Force Base	5,000
y. Resotation of Army O&M (VAC)	8,000
z. Economic Adjustment	(20,000)
3. FY 1998 Appropriated Amount:	10,095,007

4. Reprogrammings/Transfers:

Increases:

a. Higher than anticipated prior year execution - OCONUS Hospitals/Clinics.	17,588
b. Mail Order Pharmacy.	8,975
c. National Quality Monitoring Contract.	2,147
d. Retiree Dental	2,000
e. Medical Records Review Information Center	2,750
f. Reversal of FY98 foreign currency adjustment.	13,000
g. Revised CHAMPUS requirements	350,870

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

h. National Mail Order Pharmacy (NMOP) Program	53,000	
i. Change orders associated with the CHAMPUS/MCS Programs	55,500	
j. Increase due to rate changes for Uniformed Service Treatment Facilities (USTFs)	25,423	
k. Supports modifications, enhancements, and deployment of various information technology products.	24,927	
l. Increased requirement for Food Safety Inspection - Veterinary activities	876	
Decreases:	(724,756)	
a. Lower than anticipated prior year execution - OCONUS Dental Care.	(5,723)	
b. Active Duty end strength decreasing due to Defense Quadrennial Review (QDR) .	(40,281)	
c. Decrease in requirements for pharmaceuticals in CONUS medical centers, hospitals and clinics as a result of National Mail Order Pharmacy.	(53,000)	
d. Deferral of maintenance contracts and reduced inventory levels. In-House Care - CONUS.	(14,904)	
e. Definition refinement for procurement of IM/IT systems.	(22,005)	
f. Decrease in CONUS medical and dental civilian workyears as a result of the continual	(6,795)	Exhibit OP-5 Pt 1, Continuation (3 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

re-engineering of the MHS.

	(Dollars in Thousands)
g. Lower than anticipated prior year execution - Education & Training (Specialized Skills).	(4,879)
h. Lower than anticipated prior year execution - Education & Training (Professional Development)	(2,670)
i. Reduces environmental programs to mission critical levels.	(7,227)
j. Realigns base operations and communications resources to fund direct patient care.	(47,201)
k. OCONUS emergency medical care for declining active duty population.	(2,160)
l. Lower than anticipated prior year execution - TRICARE Overseas Program	(1,390)
m. Revised Managed Care Support (MCS) Contracts Requirements	(441,188)
n. Lower than anticipated prior year execution - emergency medical care for active duty personnel.	(12,836)
o. Revised CHAMPUS program requirements.	(13,900)
p. Reflects revised guidance in use of DHP funds from Other Procurement to O&M.	(28,624)
q. Deferral of Service initiatives - Other Health Activities	(7,812)
r. Lower than anticipated prior year execution - Other Health Activities.	(4,548)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

s. Active duty decreasing as a result of the QDR - Other Health Activities.

(7,613)

5. FY 1998 Current Estimate:

9,927,307

6. Price Growth (FY 1999):

301,099

7. Transfers:

Transfers In:

2,600

a. Management functions and resources from OSD, DW to the Defense Health Program for TMA.

Transfers Out:

(3,700)

a. Transfers resources to Army Reserve Personnel Appropriation for 226 HPSP slots.

(1,300)

b. Transfer resources from O&M,DHP to Overseas Contingency Fund for Southwest Asia Operations

722,084

8. Program Increases:

6,438

a. Beneficial Occupancies. Result of occupancy of new and expanded facilities.

6,667

b. Resources to support critical maintenance nd repair projects previously deferred.

c. Reflects costs necessary to accommodate the proliferation of information technologies including CHCS, Telemedicine, and ADS.

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Exhibit OP-5 Pt 1, Continuation (5 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

d. Reflects programmatic adjustment to address critical RPS shortfall.	6,098
e. Initial outfitting for various OCONUS facilities.	439
f. Annualization of Reserve Dental Program.	330
g. Increase for Dependents Dental Program Improvements.	1,700
h. Downsizing Small Hospitals.	7,900
i. Reprogram from OP to O&M for revised guidelines related to new facility outfitting requirements.	2,912
j. Annualization of Reserve Dental Program - In-House Care CONUS.	16,464
k. Increase for dental benefits for families of deceased active duty members.	19
j. One time increase for modifying the dental contract to allow dental benefits for families of deceased active duty members in the Retiree Dental Insurance Plan.	20
l. Initial Outfitting for various CONUS Navy facilities.	10,553
m. Provides money to conduct A-76 reviews mandated by the QDR.	13,000
n. Increase in utilities, supplies, communications, and DFAS accounting costs due to cancellation of the phased closure of USUHS.	3,538

1.1

Exhibit OP-5 Pt 1, Continuation (6 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

o. TRICARE Overseas Program	829
p. Full year MCS contract costs for Regions 1 and 2/5.	429,025
q. National Mail Order Pharmacy.	69,900
r. Change orders for MCS contracts.	23,800
s. Startup costs for MCS contract Region 11.	7,500
t. Pipeline costs for MCS contracts in Regions 1 and 2/5.	15,500
u. TRICARE enrollment for Medicare eligible beneficiaries.	1,000
w. Re-baselining of the MHS information technology program	53,355
x. Supports modifications, enhancements, and deployment of various information technology products.	19,205
y. Increase medical skills of Air Force troops.	3,000
z. Restore Service initiatives deferred from FY98 -Other Health Activities.	7,812
aa. Increase due to accessions at MEPCOM (Army).	640

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Exhibit OP-5 Pt 1, Continuation (7 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

bb. Hepatitis "A" vaccine. 11,891

cc. Increase for DoD Surveillance & Response System. 699

9. Program Decreases:

a. Decrease in training workload.

b. Capitation adjustment to resource levels to reflect decrease in active duty end strength in FY99.

c. Officer Acquisition - less expensive sources to be used in FY99.

d. Reversal of FY98 one-time congressional increases:

Breast Cancer	(25,975)
USUHS	(13,208)
Head Injury	(1,016)
PACMEDNET	(10,160)
Military Health Information Services	(7,112)
Air Force Neuroscience	(5,090)
Diabetes Research	(4,155)
Epidermolysis Bullosa	(1,039)
Medical Imaging	(3,637)
Tissue Engineering	(3,637)
HIV	(15,585)
Minimal Invasive Research	(13,507)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

Lab Upgrades	(8,312)
Nervous System Studies	(4,676)
Gulf War Illness	(4,676)
Hepatitis A Vaccine	(17,663)
Pacific Island Health Care Program	(5,195)
Brown Tree Snakes	(1,039)
Cancer Control Program	(9,273)
Army Research Institute	(5,611)
Military Nursing Research	(5,080)
Disaster Management Training	(5,195)
Holloman Air Force Base	(5,195)
Restore Army O&M	(8,312)
 e. Reduction for one time start up costs for three forward deployed laboratories.	(360)
 f. Improved DMLSS-W Pharmacy Medical/Surgical and laboratory procurements.	(1,278)
 g. Initial outfitting for various OCONUS facilities (Air Force).	(500)
 h. Decrease reliance on In-House Dental due to increased reliance on Family Member Dental Plan (FMDP).	(1,700)
 i. Reduced level of effort associated with the decline in overseas user population.	(6,731)
 j. Utilization management at OCONUS medical and dental activities.	(3,366)

Exhibit OP-5 Pt 1, Continuation (9 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

k. Increased reliance on military personnel - OCONUS.	(4,132)
l. Lower cost for prime vendor/electronic commerce/DAPA pricing	(17,214)
m. Reduction in nursing contracts at three teaching hospitals.	(1,825)
n. Initial Outfitting at various CONUS facilities (Army & Air Force).	(23,753)
o. Implements the 3rd phase of Utilization Management reduction.	(34,126)
p. Savings for Fitzsimmons AMC - BRAC 95.	(8,422)
q. Management efficiencies in Other Health activities.	(6,740)
r. Decline in CONUS user population.	(116,575)
s. Decrease in requirements for pharmaceuticals in CONUS medical centers, hospitals and clinics as a result of National Mail Order Pharmacy.	(72,000)
t. Management efficiencies at CONUS medical and dental facilities.	(79,932)
u. Reduction in management headquarters at medical commands.	(2,445)
v. Aeromedical evacuation reduction for flying hours.	(961)
w. Reduction in emergency medical care based on declining active duty personnel.	(1,904)

Exhibit OP-5 Pt 1, Continuation (10 of 11)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

- x. Reduced CHAMPUS program costs. (562,024)
- y. One-time pipeline requirements for MCS contracts in Regions 1 and 2/5. (128,420)
- z. Reduction in emergency medical care for active duty as a result of the QDR.
 - aa. Reflects reduced level of effort associated with force structure downsizing - Other Health Activities. (11,323)
 - bb. Decrease in Occupational Health requirements. (3,469)
- 10. FY 1999 President's Budget:** **9,653,435**

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: In-House Care - CONUS

I. Description of Operations Financed: This Sub-Activity Group provides for the delivery of patient care in the Continental United States (CONUS). This includes two broad functional areas: (1) Care in Defense Medical Centers, Station Hospitals and Medical Clinics, and (2) Dental Care Activities.

II. Force Structure Summary: **Defense Medical Centers/Hospitals/Clinics** represent the costs of providing medical care in DoD-owned and operated medical centers, station hospitals, medical clinics, and subordinate aid stations which are staffed and equipped to provide the full range of inpatient and ambulatory health care services. Includes medical center laboratories, alcohol treatment, clinical investigation activities and on-the-job training/education programs conducted at these facilities, federal sharing agreements, supplemental and cooperative care costs specifically identified to health care services received in a **non-defense** facility as a result of a referral or prearranged agreement. Excludes operation of management headquarters for TRICARE Lead Agents, dental activities, deployable medical units and other health care resources devoted exclusively to teaching. **Dental Care Activities** represent the costs of providing dental services through operation of hospital departments of dentistry, installation dental clinics, and Regional Dental Activities (laboratories). Excludes provision of dental services by units organic to Operating Forces units and deployable dental units operating in an active combat zone.

III. Financial Summary (O&M \$ in thousands): In-house care - CONUS

A. Sub-Activity Group

	FY 1998			FY 1999 Estimate
	FY 1997 Actuals	Budget Request	Appropriation	
MEDCENs / Hospitals / Clinics (CONUS)	2,830,050	2,936,809	2,871,009	2,734,024
Dental Care Activities (CONUS)	152,002	158,027	158,027	158,027
Total	\$2,982,052	\$3,094,836	\$3,029,036	\$2,892,051
				\$2,631,421

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

III. Financial Summary (O&M-\$ in thousands): In-house Care - CONUS (Continued)

B. Reconciliation Summary

	Change <u>FY 1998/1999</u>	Change <u>FY 1998/1999</u>
Baseline Funding	\$3,094,836	\$2,892,051
Congressional Adjustments	-65,800	
Reprogrammings/Transfers		
Price Change		77,624
Functional Transfers		-1,300
Program Changes	-136,985	-336,954
Current Estimate	\$2,892,051	\$2,631,421

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: In-house Care - CONUS

1. FY 1998 President's Budget Request
\$3,094,836
2. Congressional adjustments
-\$65,800
3. FY 1998 Appropriated
\$3,029,036

OP-5 Part 2 In-House Care - CONUS (Page 2 of 9)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: In-house Care - CONUS (Continued)

4. Program Decreases	\$-136,985	
a. Active Duty End Strength decreasing faster than anticipated due to the Defense Quadrennial Review (QDR)	-40,281	
b. National Mail Order Pharmacy	-53,000	
		This program decrease represents a decrease in requirements for pharmaceuticals in CONUS Medical Centers, Hospitals and Clinics as a result of the introduction of the National Mail Order Pharmacy service. There is an offsetting cost increase in CHAMPUS/MCS Contracts for National Mail Order Pharmacy.
c. Deferral of maintenance contracts and reduced inventory levels to live within constrained program	-14,904	
d. Refinement of definition for procurement of IM/IT systems has resulted in a decrease in O&M requirements	-22,005	
e. This reduction represents a decrease in civilian workyears in CONUS medical and dental facilities as result of the continual reengineering of the MHS.	-6,795	
5. FY1998 Current Estimate	\$2,892,051	
6. Price Growth	\$77,624	

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: In-house Care - CONUS (Continued)

7. Functional Transfers	-1,300	
a. Transfer of funds from the DHP to the Overseas Contingency Fund for Southwest Asia Operations (Southern Watch)	-1,300	
8. Program Increases	\$42,868	
a. Downsizing Small Hospitals	+7,900	
		<p>This increase finances the purchase of in-patient care from the private sector and finances anticipated increases in out-patient clinic visits due to conversion of nine small hospitals to extended hour out-patient clinics. This increase is offset by a decrease in military personnel costs of -\$19.2M. This completes the second phase of the downsizing effort of seventeen small hospitals that began in FY98. Downsizing the seventeen carefully selected small hospitals will reduce costs and will improve access to care and the quality of care provided to MHSS beneficiaries. Net savings of \$36M per year are expected beginning in FY01 when the conversions are complete</p>
b. Reprogramming of resources from Other Procurement (OP) to Operations and Maintenance (O&M) reflecting implementation of revised guidelines for new facility outfitting requirements	+2,912	

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: In-house Care - CONUS (Continued)

8. Program Increases (Continued)		
c. Dental Care Activities - CONUS		
Annualization of Reserve Dental Program	+16,464	
Increase to allow dental benefits for families of deceased Active Duty members in Active Duty Family Member Dental Insurance Plan	+19	
Increase represents one-time cost to modify Dental Contract to allow Dental Benefits for Families of Deceased Active Duty Members in Retiree Dental Insurance Plan	+20	
d. Initial Outfitting for various CONUS facilities (Navy)	+10,553	
e. Commercial Activities		
Provides seed money to conduct A-76 reviews mandated by the Quadrennial Defense Review	+5,000	
9. Program Decreases		
a. Reverse FY 1998 One-Time Congressional Increases		
Breast Cancer	-25,975	
		-\$379,822

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases: In-house Care - CONUS (Continued)

9. Program Decreases (continued)

- b. Program decrease as a result of achieving lower cost prime vendor/ electronic commerce/DAPA pricing -17,214
- c. Nursing Contracts (Navy) -1,825
- Decrease in FY99 due to reduction of contracted nurses at the three teaching hospitals
- d. Initial Outfitting for various CONUS facilities (Army & AirForce) -23,753
- e. Utilization Management -34,126
- This reduction implements the third phase of the MHS utilization management strategy designed to control the use of health care services while maintaining access to appropriate high-quality health care provided by the MHS.
- f. Estimated savings related to Fitzsimmons Army Medical Center, closure as part of BRAC 95 -8,422
- g. Population Impact -116,575

This program decrease reflects the reduced level of effort associated with the decline in CONUS user population

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
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D. Reconciliation of Increases and Decreases: In-house Care - CONUS (Continued)

9. Program Decreases (continued)

h. National Mail Order Pharmacy

This program decrease represents a decrease in requirements for pharmaceuticals in CONUS Medical Centers, Hospitals and Clinics as a result of the introduction of the National Mail Order Pharmacy service. There is an offsetting cost increase in CHAMPUS/MCS Contracts for National Mail Order Pharmacy.

i. Management Efficiencies

This reduction reflects management efficiencies at CONUS medical and dental facilities.

10. FY 1999 Budget Request

\$2,631,421

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
 Operation and Maintenance

IV. Performance Criteria and Evaluation Summary: In-House Care - CONUS

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98-99</u>
Total US User Population (Average Manyears) (1)				
Active Duty (2)	1,377,565	1,349,721	1,319,736	-29,985
Dependents of Active Duty(3)	1,984,099	1,960,270	1,916,721	-43,549
CHAMPUS Eligible Retirees	704,889	699,857	695,023	-4,834
CHAMPUS Eligible Dependents of Retirees	1,199,192	1,186,716	1,174,914	-11,802
Medicare Eligible Beneficiaries	<u>333,899</u>	<u>350,659</u>	<u>365,124</u>	<u>14,465</u>
Total Population	5,599,644	5,547,223	5,471,518	-75,705

(1) Includes estimates of force reductions levied by the Quadrennial Defense Review
 (2) Includes Active Guard/Reserve entitled to medical benefit.
 (3) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

V. Personnel Summary: In-house care - CONUS 1/

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98/FY99</u>
<u>Active Military End Strength 1/</u>				
Officer	20,870	20,071	19,533	-538
Enlisted	<u>42,672</u>	<u>41,466</u>	<u>40,019</u>	<u>-1,447</u>
Total Military	<u>63,542</u>	<u>61,537</u>	<u>59,552</u>	<u>-1,985</u>
<u>Civilian End Strength 1/</u>				
U.S. Direct Hire	26,703	26,601	25,988	-613
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	<u>26,703</u>	<u>26,601</u>	<u>25,988</u>	<u>-613</u>
Foreign National Indirect Hire	0	0	0	0
Total Civilians	26,703	26,601	25,988	-613
<u>Active Military Workyears</u>				
Officer	21,602	20,471	19,802	-669
Enlisted	<u>43,295</u>	<u>42,069</u>	<u>40,743</u>	<u>-1,326</u>
Total Military Workyears	<u>64,897</u>	<u>62,540</u>	<u>60,545</u>	<u>-1,995</u>
<u>Civilian Workyears</u>				
U.S. Direct Hire	27,028	27,209	26,614	-595
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	<u>27,028</u>	<u>27,209</u>	<u>26,614</u>	<u>-595</u>
Foreign National Indirect Hire	0	0	0	0
Total Civilian Workyears	27,208	27,209	26,614	-595
(Reimbursable Civilians Included Above - Memo)	569	429	426	-3

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

OP-5 Part 2 In-House Care - CONUS (Page 9 of 9)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP IN-HOUSE CARE (CONUS)						
308 Travel of Persons	50549	0	1.50	758	210	51517
399 Total Travel	50549	0		758	210	51517
401 DFSC Fuel	142	0	19.70	29	-11	160
402 Service Fund Fuel	21	0	19.70	4	-5	20
411 Army Sup & Mat	67153	0	2.30	1545	-14470	54227
412 Navy Sup & Mat	26939	0	26.30	7085	-6365	27659
414 AF Sup & Mat	150	0	19.30	29	-1	178
415 DLA Sup & Mat	50275	0	1.60	804	-756	50323
416 GSA Sup & Mat	20748	0	1.50	311	-245	20815
417 Local Proc Sup & Mat	763209	0	1.50	11448	-61269	713388
499 Total Sup & Mat	928637	0		21255	-83123	866769
502 Army Fund Equip	1799	0	2.30	41	0	1840
503 Navy Fund Equip	366	0	26.30	96	-91	372
505 AF Fund Equip	29135	0	19.30	5623	3121	37879
506 DLA Fund Equip	1922	0	1.60	31	-10	1942
507 GSA Fund Equip	6556	0	1.50	98	20	6674
599 Total Fund Equip	39778	0		5889	3040	48707
602 Army Depot Cmd Maint	0	0	4.00	0	0	0
611 Naval Surface War Ctr	30	0	8.10	2	-2	30
615 Data Automat Ctr Navy	3	0	6.80	0	0	3
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	3	0	-0.10	0	0	3
631 Naval Civil Engr Ctr	0	0	2.10	0	0	0
633 Naval Pub & Print Svc	851	0	-4.00	-34	35	852

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP IN-HOUSE CARE (CONUS)						
634 Nav Pub Wrks Ctr: Utilities	122	0	-1.00	-1	1	122
635 Nav Pub Wrks Ctr: Pub Wrks	9577	0	0.30	29	-20	9586
637 Naval Shipyards	9	0	19.60	2	-2	9
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	29	0	-11.00	-3	3	29
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	10623	0	-5	15	15	10633
701 MAC Cargo	11	0	5.00	1	-1	11
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	1390	0	1.50	21	2	1413
799 Total Transportation	1401	0	22	1	1	1424
9XX Civ Pay Reimburs Host	1100469	0	2.20	24211	48888	1173568
901 Foreign Nat Ind Hire	0	0	2.20	0	0	0
902 Separation Liability	5846	0	2.20	128	-2657	3317
912 Rental Pay to GSA	1576	0	0.00	0	-62	1514
913 Purchased Utilities	141	0	1.50	2	-2	141
914 Purchased Communica	506	0	1.50	7	-1	512
915 Rents non GSA	11355	0	1.50	170	883	12408
917 Postal Svcs	90	0	0.00	0	0	90
920 Supplies & Mat	240586	0	3.40	8179	-6199	242565
921 Printing & Reproduct	3138	0	1.50	47	16	3202

IN-HOUSE CARE - CONUS

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE DHP IN-HOUSE CARE (CONUS)						
922 Equipt Maint Contract	47934	0	1.50	720	9	48663
923 Facility Maint Contract	78	0	1.50	1	-1	78
925 Equipt Purchases	92926	0	3.40	3159	10467	106552
926 Overseas Purchases	0	0	1.50	0	0	0
930 Other Depot Maint	0	0	1.50	0	0	0
931 Contract Consultants	337	0	1.50	5	-5	337
932 Mgmt & Prof Spt Svc	240	0	1.50	4	-3	241
933 Studies Analysis Eval	364	0	1.50	5	2	371
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	95	0	1.50	2	-5	92
988 Grants	778	0	1.50	12	4	794
989 Other Contracts	437666	0	3.40	14881	-141023	311524
998 Other Costs*	6939	0	3.40	236	-144	7032
999 Total Purchases	1951064	0		51769	-89832	1913000
9999 TOTAL	2982052	0		79688	-169689	2892051

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1999 Program	Program Growth	FY1999 Program
LINE DHP IN-HOUSE CARE (CONUS)							
308 Travel of Persons	51517	0	1.60	824	435	6	52776
399 Total Travel	51517	0		824	435	2	52776
401 DFSC Fuel	160	0	-8.80	-13	6	152	
402 Service Fund Fuel	20	0	-8.80	-2	2	20	
411 Army Sup & Mat	54227	0	7.60	4121	-2915	55434	
412 Navy Sup & Mat	27659	0	-5.80	-1604	2993	29048	
414 AF Sup & Mat	178	0	0.40	1	-1	178	
415 DLA Sup & Mat	50323	0	-1.00	-503	3585	53406	
416 GSA Sup & Mat	20815	0	1.60	333	843	21991	
417 Local Proc Sup & Mat	713388	0	1.60	11414	-39200	685602	
499 Total Sup & Mat	866769	0		13747	-34686	845830	
502 Army Fund Equip	1840	0	7.60	140	-100	1880	
503 Navy Fund Equip	372	0	-5.80	-22	43	392	
505 AF Fund Equip	37879	0	0.40	152	-1491	36540	
506 DLA Fund Equip	1942	0	-1.00	-19	49	1972	
507 GSA Fund Equip	6674	0	1.60	107	73	6854	
599 Total Fund Equip	48707	0		358	-1426	47639	
602 Army Depot Cmd Maint	0	0	12.70	0	0	0	0
611 Naval Surface War Ctr	30	0	1.60	0	2	32	
615 Data Automat Ctr Navy	3	0	-11.40	0	0	0	3
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0	
630 Naval Rsch Lab	3	0	4.90	0	0	0	3
631 Naval Civil Engr Ctr	0	0	-0.60	0	0	0	
633 Naval Pub & Prnt Svc	852	0	5.70	49	3	904	

IN-HOUSE CARE - CONUS

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Amount	Program Growth	FY1999 Program
LINE DHP IN-HOUSE CARE (CONUS)						
634 Nav Pub Wrks Ctr. Utilities	122	0	-9.30	-11	18	129
635 Nav Pub Wrks Ctr. Pub Wrks	9586	0	-1.40	-134	721	10173
637 Naval Shipyards	9	0	-12.10	-1	2	10
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	29	0	-0.60	0	2	31
673 Def Finance & Acct Svc	0	0	3.70	0	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	10633	0	-97	748	11284	
701 MAC Cargo	11	0	7.00	1	-0	12
702 MAC SAAM	0	0	-0.90	0	0	0
711 MSC Cargo	0	0	-24.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	1413	0	1.60	23	10	1446
799 Total Transportation	1424	0	24	10	1458	
9XX Civ Pay Reimburs Host	1173568	0	3.03	35559	-25644	1183483
901 Foreign Nat Ind Hire	0	0	3.03	0	0	0
902 Separation Liability	3317	0	3.03	101	-3417	0
912 Rental Pay to GSA	1514	0	0.00	0	0	1514
913 Purchased Utilities	141	0	1.60	2	7	150
914 Purchased Communica	512	0	1.60	8	4	524
915 Rents non GSA	12408	0	1.60	199	247	12853
917 Postal Svcs	90	0	0.00	0	1	91
920 Supplies & Mat	242565	0	3.90	9460	4369	256395
921 Printing & Reproduct	3202	0	1.60	51	20	3272

IN-HOUSE CARE - CONUS

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Exhibit OP-32

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1998 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1999 Program</u>
LINE DHP IN-HOUSE CARE (CONUS)						
922 Equipt Maint Contract	48663	0	1.60	779	726	50168
923 Facility Maint Contract	78	0	1.60	1	4	83
925 Equipt Purchases	106552	0	3.90	4155	8036	118743
926 Overseas Purchases	0	0	1.60	0	0	0
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	337	0	1.60	5	16	358
932 Mgmt & Prof Spt Svc	241	0	1.60	4	11	256
933 Studies Analysis Eval	371	0	1.60	6	1	379
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	92	0	1.60	2	1	96
988 Grants	794	0	1.60	13	4	811
989 Other Contracts	311524	0	3.90	12149	-287831	35842
998 Other Costs*	7032	0	3.90	274	113	7419
999 Total Purchases	1913000	0			62768	-303334
	2892051	0			77624	-338253
	9999 TOTAL				2631421	

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: In-House Care - OCONUS

I. Description of Operations Financed: This Sub-Activity Group provides for the delivery of patient care Outside the Continental United States (OCONUS). This includes two broad functional areas: (1) Care in Station Hospitals and Medical Clinics, and (2) Dental Care Activities.

II. Force Structure Summary: **OCONUS Hospitals and Clinics** represent the costs of providing medical care in DoD-owned and operated station hospitals, medical clinics, and subordinate aid stations which are staffed and equipped to provide the full range of inpatient and ambulatory health care services. Includes alcohol treatment, clinical investigation activities and on-the-job training/education programs conducted at these facilities, supplemental and cooperative care costs specifically identified to health care services received in a **non-defense** facility as a result of a referral or prearranged agreement. Excludes operation of management headquarters for TRICARE Lead Agents, dental activities, deployable medical units and other health care resources devoted exclusively to teaching. **Dental Care Activities** represent the costs of providing dental services through operation of hospital departments of dentistry, installation dental clinics, and Regional Dental Activities (laboratories). Excludes provision of dental services by units organic to Operating Forces units and deployable dental units operating in an active combat zone.

III. Financial Summary (O&M \$ in thousands): In-house care (OCONUS)

A. Sub-Activity Group

	<u>FY 1998</u>			<u>FY 1999</u>		
	<u>Budget</u>	<u>Appropriation</u>	<u>Current</u>	<u>Budget</u>	<u>Appropriation</u>	<u>Current</u>
	<u>Request</u>		<u>Estimate</u>	<u>Request</u>	<u>Estimate</u>	<u>Estimate</u>
Hospitals / Clinics (OCONUS)	301,158	279,003	296,591	289,293		
Dental Care Activities (OCONUS)	38,812	45,723	40,000	41,130		
Total	\$339,970	\$324,726	\$336,591	\$330,423		

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

III. Financial Summary (O&M--\$ in thousands): In-house Care - OCONUS (Continued)

B. Reconciliation Summary

	Change <u>FY 1998/1998</u>	Change <u>FY 1998/1999</u>
Baseline Funding	324,726	336,591
Congressional Adjustments		
Reprogrammings/Transfers		
Price Change	9,430	
Functional Transfers	+11,865	-15,598
Program Changes		
Current Estimate	336,591	330,423

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: In-house Care - OCONUS

1. FY 1998 President's Budget Request \$324,726
2. FY 1998 Appropriated \$324,726
3. Program Increases \$17,588

a. Hospitals/Clinics - OCONUS

Higher than anticipated prior year (FY97) Execution +17,588

OP-5 Part 2 In-House Care - OCONUS (Page 2 of 7)

Defense Health Program Appropriation FY 1999 Amended Budget Estimates Operation and Maintenance

D. Reconciliation of Increases and Decreases: In-house Care - OCONUS (Continued)

4. Program Decreases		-\$5,723
a. Dental Activities - OCONUS		
Lower than anticipated prior year (FY97) Execution	-5,723	
5. FY1998 Current Estimate	\$336,591	
6. Price Growth	\$9,430	
7. Program Increases	\$2,469	
a. Hospitals/Clinics - OCONUS	+439	
Initial Outfitting for various OCONUS facilities		
b. Dental Care Activities - OCONUS		
Annualization of Reserve Dental Program	+330	
Increase for Dependents Dental Program Improvements	+1,700	
8. Program Decreases		-\$18,067

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: In-house Care - OCONUS (Continued)

8. Program Decreases (continued)

a. Forward Deployable Labs (Navy)

Reduction represents one time start up costs for three forward deployed laboratories for the Pacific, Europe/Middle East/Africa and Central/ South America theaters of operations

b. Defense Medical Logistics Standard Support (Navy)

Impact of larger economic quantities due to improved DMLSS-W Pharmacy Medical/Surgical and Laboratory procurements

c. Hospitals/Clinics - OCONUS

Initial Outfitting for various OCONUS facilities (AirForce)

d. Dental Care Activities - OCONUS

Decrease reliance on In-house Dental due to increased reliance on Family Member Dental Plan (FMDP)

e. Population Impact

This program decrease reflects the reduced level of effort associated with the decline in Overseas User population

-360

-1,278

-500

-1,700

-6,731

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: In-house Care - OCONUS (Continued)

8. Program Decreases (continued)		
f. Utilization Management		
	This reduction reflects utilization management at OCONUS medical and dental facilities.	
g. Increased reliance on Military Personnel		
	Active Duty Military Personnel assigned at OCONUS medical and dental facilities are not decreasing as rapidly as the population supported, thus offsetting the requirement for operation and maintenance resources	
9. FY 1999 Budget Request		\$330,423

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Operation and Maintenance

IV. Performance Criteria and Evaluation Summary: In-house Care - OCONUS

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98-99</u>
Total Overseas User Population (Average Manyears) (1)				
Active Duty (2)	229,954	226,892	222,477	-4,415
Dependents of Active Duty(3)	200,698	199,400	195,520	-3,880
CHAMPUS Eligible Retirees	19,661	19,595	19,568	-27
CHAMPUS Eligible Dependents of Retirees	36,929	36,337	35,918	-419
Medicare Eligible Beneficiaries	<u>13,808</u>	<u>14,570</u>	<u>15,291</u>	<u>721</u>
Total Population	501,050	496,794	488,774	-8,020

(1) Includes estimates of force structure reductions levied by the Quadrennial Defense Review.

(2) Includes Active Guard/Reserve entitled to medical benefit.

(3) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Operation and Maintenance

V. Personnel Summary 1/ In-house Care OCONUS

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98/FY99</u>
<u>Active Military End Strength 1/</u>				
Officer	3,459	3,636	3,636	-0
Enlisted	<u>8,082</u>	<u>8,222</u>	<u>8,180</u>	<u>-42</u>
Total Military	11,541	11,858	11,816	-42
<u>Civilian End Strength 1/</u>				
U.S. Direct Hire	1,778	1,771	1,726	-45
Foreign National Direct Hire	<u>650</u>	<u>383</u>	<u>378</u>	<u>-5</u>
Total Direct Hire	2,428	2,154	2,104	-50
Foreign National Indirect Hire	<u>1,063</u>	<u>1,282</u>	<u>1,262</u>	<u>-20</u>
Total Civilians	3,491	3,436	3,366	-70
<u>Active Military Workyears</u>				
Officer	3,699	3,548	3,636	88
Enlisted	<u>8,037</u>	<u>8,152</u>	<u>8,201</u>	<u>49</u>
Total Military Workyears	11,736	11,700	11,837	137
<u>Civilian Workyears</u>				
U.S. Direct Hire	1,748	1,704	1,586	-118
Foreign National Direct Hire	<u>653</u>	<u>381</u>	<u>376</u>	<u>-5</u>
Total Direct Hire	2,401	2,085	1,962	-123
Foreign National Indirect Hire	<u>1,056</u>	<u>1,249</u>	<u>1,227</u>	<u>-22</u>
Total Civilian Workyears	3,457	3,334	3,189	-145
(Reimbursable Civilians Included Above - Memo)				
	44	44	44	0

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense", dated October 1, 1991.

OP-5 Part 2 In-House Care - OCONUS (Page 7 of 7)

Defense Health Program Appropriation
 Fiscal Year 1999 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP IN-HOUSE CARE (OCONUS)					
308 Travel of Persons	4986	4	1.50	75	16
399 Total Travel	4986	4		75	16
					5081
401 DFSC Fuel	14	0	19.70	3	-2
402 Service Fund Fuel	2	0	19.70	0	0
411 Army Sup & Mat	8065	0	2.30	186	-1740
412 Navy Sup & Mat	2798	0	26.30	736	-650
414 AF Sup & Mat	17	0	19.30	3	0
415 DLA Sup & Mat	5133	0	1.60	82	-77
416 GSA Sup & Mat	2162	0	1.50	32	-24
417 Local Proc Sup & Mat	76328	169	1.50	1148	-8750
499 Total Sup & Mat	94519	169		2190	-11242
					85636
502 Army Fund Equip	216	0	2.30	5	-0
503 Navy Fund Equip	38	0	26.30	10	-9
505 AF Fund Equip	2487	0	19.30	480	266
506 DLA Fund Equip	218	0	1.60	3	-1
507 GSA Fund Equip	753	0	1.50	11	3
599 Total Fund Equip	3712	0		509	259
					4480
602 Army Depot Cmd Maint	0	0	4.00	0	0
611 Naval Surface War Ctr	3	0	8.10	0	0
615 Data Automat Ctr Navy	0	0	6.80	0	0
620 Fleet Aux Ships Navy	0	0	1.50	0	0
630 Naval Rsch Lab	0	0	-0.10	0	0
631 Naval Civil Engr Ctr	0	0	2.10	0	0
633 Naval Pub & Pmt Svc	87	0	-4.00	-3	3
					87

IN-HOUSE CARE - OCONUS

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Exhibit OP-32

**Defense Health Program Appropriation
Fiscal Year 1999 Biennial Budget Estimate
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE DHP IN-HOUSE CARE (OCONUS)	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	Program Growth	FY1998 Program
634 Nav Pub Wrks Ctr: Utilities	12	0	-1.00	0	0	0	12
635 Nav Pub Wrks Ctr: Pub Wrks	978	0	0.30	3	-2	979	
637 Naval Shipyards	1	0	19.60	0	0	1	
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0	
671 Communications Svc	3	0	-11.00	0	0	3	
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0	
679 Cost Reimbursible Svc	0	0	1.50	0	0	0	
699 Total Purchases	1085	0		0	1	1086	
701 MAC Cargo	1	0	5.00	0	0	1	
702 MAC SAAM	0	0	17.80	0	0	0	
711 MSC Cargo	0	0	9.30	0	0	0	
721 MTMC Port Handling	0	0	5.70	0	0	0	
725 MTMC Other	0	0	-7.90	0	0	0	
771 Commercial Transportation	137	6	1.50	2	-6	139	
799 Total Transportation	138	6		2	-6	140	
9XX Civ Pay Reimburs Host	100780	407	2.20	226	-11271	92142	
901 Foreign Nat Ind Hire	30053	434	2.20	671	13397	44555	
902 Separation Liability	990	0	2.20	22	-510	502	
912 Rental Pay to GSA	189	0	0.00	0	-7	182	
913 Purchased Utilities	14	60	1.50	1	-61	14	
914 Purchased Communica	60	80	1.50	2	-81	61	
915 Rents non GSA	1167	50	1.50	18	24	1259	
917 Postal Svcs	11	0	0.00	0	0	11	
920 Supplies & Mat	25268	630	3.40	881	-1286	25494	
921 Printing & Reproduct	330	0	1.50	5	2	336	

**Defense Health Program Appropriation
Fiscal Year 1999 Biennial Budget Estimate
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE DHP IN-HOUSE CARE (OCONUS)						
922 Equip Maint Contract	4888	31	1.50	73	-30	4962
923 Facility Maint Contract	8	180	1.50	3	-183	8
925 Equip Purchases	9802	61	3.40	335	801	10999
926 Overseas Purchases	279	7	1.50	4	-10	280
930 Other Depot Maint	0	0	1.50	0	0	0
931 Contract Consultants	34	0	1.50	1	-1	34
932 Mgmt & Prof Spt Svc	25	0	1.50	0	0	25
933 Studies Analysis Eval	44	0	1.50	1	-0	45
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	10	4	1.50	0	-4	10
988 Grants	93	0	1.50	1	1	95
989 Other Contracts	60811	800	3.40	2095	-5233	58473
998 Other Costs*	674	0	3.40	23	-15	681
999 Total Purchases	235530	2744		6362	-4468	240169
9999 TOTAL	339970	2923		9138	-15440	336591

**Defense Health Program Appropriation
Fiscal Year 1999 Biennial Budget Estimate
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP IN-HOUSE CARE (OCONUS)						
308 Travel of Persons	5081	0	1.60	81	44	5206
399 Total Travel	5081	0		81	44	5206
401 DFSC Fuel	15	0	-8.80	-1	0	15
402 Service Fund Fuel	2	0	-8.80	0	0	2
411 Army Sup & Mat	6512	0	7.60	495	-350	6656
412 Navy Sup & Mat	2884	0	-5.80	-167	307	3024
414 AF Sup & Mat	20	0	0.40	0	0	20
415 DLA Sup & Mat	5138	0	-1.00	-51	366	5452
416 GSA Sup & Mat	2169	0	1.60	35	86	2290
417 Local Proc Sup & Mat	68895	-5	1.60	1103	-3288	66705
499 Total Sup & Mat	85636	-5		1414	-2880	84165
502 Army Fund Equip	221	0	7.60	17	-12	226
503 Navy Fund Equip	38	0	-5.80	-2	4	41
505 AF Fund Equip	3233	0	0.40	13	-127	3119
506 DLA Fund Equip	221	0	-1.00	-3	6	224
507 GSA Fund Equip	767	0	1.60	13	7	787
599 Total Fund Equip	4480	0		38	-122	4396
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	3	0	1.60	0	0	3
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prmt Svc	87	0	5.70	5	0	92

Defense Health Program Appropriation
 Fiscal Year 1999 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP IN-HOUSE CARE (OCONUS)						
634 Nav Pub Wrks Ctr. Utilities	12	0	-9.30	-1	2	13
635 Nav Pub Wrks Ctr: Pub Wrks	979	0	-1.40	-14	74	1039
637 Naval Shipyards	1	0	-12.10	0	0	1
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	3	0	-0.60	0	0	3
673 Def Finance & Acct Svc	0	0	3.70	0	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	1086	0	-10	76	1152	
701 MAC Cargo	1	0	7.00	0	0	1
702 MAC SAAM	0	0	-0.90	0	0	0
711 MSC Cargo	0	0	-24.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	139	0	1.60	2	1	142
799 Total Transportation	140	0	2	1	1	143
9XX Civ Pay Reimburs Host	92142	-13	3.03	2792	-5493	89428
901 Foreign Nat Ind Hire	44555	-14	3.03	1350	-3839	42052
902 Separation Liability	502	0	3.03	15	-518	-0
912 Rental Pay to GSA	182	0	0.00	0	0	182
913 Purchased Utilities	14	-2	1.60	0	3	15
914 Purchased Communica	61	-3	1.60	1	3	62
915 Rents non GSA	1259	-2	1.60	21	26	1305
917 Postal Svcs	11	0	0.00	0	0	11
920 Supplies & Mat	25494	-20	3.90	993	470	26936
921 Printing & Reproduct	336	0	1.60	5	2	344

Defense Health Program Appropriation
 Fiscal Year 1999 Biennial Budget Estimate
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP IN-HOUSE CARE (OCONUS)						
922 Equipt Maint Contract	4962	-1	1.60	80	74	5115
923 Facility Maint Contract	8	-6	1.60	0	6	8
925 Equipt Purchases	10999	-2	3.90	428	804	12229
926 Overseas Purchases	280	0	1.60	4	13	297
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	34	0	1.60	1	1	36
932 Mgmt & Prof Spt Svc	25	0	1.60	0	1	26
933 Studies Analysis Eval	45	0	1.60	1	-0	45
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	10	0	1.60	0	1	10
988 Grants	95	0	1.60	2	0	97
989 Other Contracts	58473	-25	3.90	2279	-4286	56441
998 Other Costs*	681	0	3.90	26	12	719
999 Total Purchases	240169	-88		7998	-12718	235360
9999 TOTAL	336591	-93		9523	-15599	330423

IN-HOUSE CARE - OCONUS

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Exhibit OP-32

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Private Sector Care - CONUS

I. Description of Operations Financed: This subactivity provides for all medical care received by DoD eligible beneficiaries in the private sector in the Continental United States. This includes: The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) which is a worldwide health care cost-sharing program. Currently, the Department is transitioning to the managed care initiative, TRICARE. Most of the CHAMPUS program requirements are being absorbed into the Managed Care Support (MCS) contracts which are being implemented on a regional basis. Five of the seven MCS contracts have already been implemented and the last two contracts will begin in May 1998. The purchase of health care services from the Uniformed Services Treatment Facilities (also known as the Designated Provider Program) for enrolled eligible DoD beneficiaries is also part of this subactivity. Finally, this subactivity supports the emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible from a military treatment facility.

II. Force Structure Summary: Approximately 7.7 million DoD beneficiaries are eligible to receive care under these various health care programs. There are ten civilian-operated Uniformed Services Treatment Facilities within the United States. Seven Managed Care Support contracts covering twelve Health Service Regions (HSRs) provide a uniform triple-option health care plan to eligible beneficiaries allowing them to enroll in the health maintenance organization (HMO) type plan known as TRICARE Prime, or utilize a civilian preferred provider network (TRICARE Extra), or remain with the Standard CHAMPUS benefit plan (TRICARE Standard). The Standard CHAMPUS program includes the Family Member Dental Program, Fiscal Intermediary processing costs, Continuing Health Education/Capitalization of Assets program, pipeline benefits costs incurred during the transition from Standard CHAMPUS coverage to Managed Care Support, Investigational Demonstrations (Breast Cancer) and the National Mail Order Pharmacy program. Emergency Medical Care for Active Duty personnel covers care received in any CONUS civilian health care facility.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group	FY 1998			FY 1999
	Budget	Appropriation	Current Estimate	Estimate
Managed Care Support Contracts	<u>1,919,292</u>	<u>2,848,888</u>	<u>2,453,200</u>	<u>3,010,200</u>
CHAMPUS Program (Standard Benefits)	1,419,080	653,920	1,053,890	489,948
Uniformed Services Treatment Facilities (USTFs)	343,885	341,031	341,031	366,454
Purchased Emergency Care (CONUS)	<u>102,741</u>	<u>110,999</u>	<u>98,163</u>	<u>90,521</u>
	3,784,998	3,954,838	3,971,707	3,971,415

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

B. Reconciliation Summary - Private Sector Care - CONUS

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	3,954,838	3,971,707
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	154,750
Functional Transfers	0	0
Program Changes	16,869	-155,042
Current Estimate		3,971,415

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

1. FY 1998 President's Budget Request
\$3,954,838
2. FY 1998 Appropriated Amount
\$3,954,838
3. FY 1998 Program Increases
\$484,793
- a. Revised CHAMPUS (Standard Benefits) Requirements
\$350,870

The CHAMPUS requirements are revised to reflect the deferred start dates for the Managed Care Support (MCS) contracts in Regions 1 and 2/5 to May 1998. This

OP-5 Part 2 Private Sector Care - CONUS (Page 2 of 8)

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

increase includes changes in related benefits costs such as Fiscal Intermediary Claims Processing, Continuing Health Education/Capitalization of Assets Program costs, and pipeline benefits estimates.

b. National Mail Order Pharmacy (NMOP) Program

The Department developed and contracted for a National Mail Order Pharmacy Program in order to fulfill requirements under TRICARE to provide pharmaceutical Prescription benefits for maintenance medications to all eligible beneficiaries. This contract begins in FY98.

c. Change Orders Associated with the CHAMPUS/MCS Programs

As the CHAMPUS and MCS contracts programs are executed, Change Orders must be issued to resolve changes in allowed benefits and to update the supporting ADP systems. The FY98 President's Budget did not reflect any requirements for Change Orders. MCS Change Orders represent the bulk of the requirement at \$45.5 million.

d. Uniformed Services Treatment Facilities (USTFs)

Based on the FY97 execution experience, this program has been increased to reflect the projected FY98 requirement of \$366.5 million. These increases are due to negotiated rate changes, active duty dependents in catchment areas being eligible to utilize these facilities, and the attrition rate of medicare eligibles not declining as rapidly as originally projected.

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

4. FY 1998 Program Decreases	\$-467,924
a. Revised Managed Care Support (MCS) Contracts Requirements	\$-441,188
The FY98 current estimate reflects the deferred start date for MCS contracts in Regions 1 and 2/5 based on the current implementation of May 1998. In the FY98 President's Budget the expected start dates for these contracts were November and December 1997 respectively.	
b. Emergency Medical Care for Active Duty Personnel	\$-12,836
Decrease reflects the FY97 actual execution and the effects of the declining active duty population eligible for emergency medical care.	
c. Revised CHAMPUS program Requirements	\$-13,900
Based on revised program projections, two programs funded under the CHAMPUS program decrease \$13.9 million from the FY98 President's Budget estimate. The Family Member Dental Program declines \$8.4M and the Expanded Cancer Demonstration Program declines \$5.5M.	
5. FY 1998 Current Estimate	\$3,971,707
6. FY 1999 Price Growth	\$154,750
7. FY 1999 Program Increases	\$546,725

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

a. Full Year MCS Contract costs for Regions 1 and 2/5 \$429,025

Represents the full year MCS contract cost for Regions 1 and 2/5. FY98 costs include only five months of the total contract costs since the contracts will be implemented May 1998.

b. National Mail Order Pharmacy (NMOP) \$69,900

Increase reflects the full-year requirement for the contract.

c. Change Order Costs for MCS Contracts \$23,800

Costs for Change Orders associated with the MCS contracts will increase as two more contracts are implemented in FY98.

d. Startup Costs for MCS Contract Region 11 \$7,500

The MCS contract for Region 11 will be renegotiated in FY99. Startup costs have been budgeted to cover the requirements of a new contractor based on prior experience.

e. Pipeline Costs for MCS Contracts in Regions 1 and 2/5 \$15,500

Pipeline costs continue for these two MCS contracts into FY99. Most of the pipeline costs have already been incurred in FY98 since the contracts started in May 1998.

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

f. TRICARE Enrollment for Medicare Eligible Beneficiaries	\$1,000
A one-time cost will be incurred in FY99 which will modify the existing MCS contracts to allow Medicare Eligibles to enroll in the TRICARE program. This cost will affect all contracts and be a one-year demonstration.	
8. FY 1999 Program Decreases	\$-701,767
a. Reduced CHAMPUS Program Costs	\$-562,024
With all MCS contracts being fully implemented in FY98, the CHAMPUS standard benefits and related costs such as Fiscal Intermediary and Change Orders costs decrease. The standard benefits line for CONUS CHAMPUS costs is basically eliminated in FY99.	
b. One-time Pipeline Requirements	\$-128,420
Reflects the bulk of the one-time pipeline costs for MCS contracts in Regions 1 and 2/5. A small portion of this cost continues in FY99 and is reflected in program increases.	
c. Emergency Medical Care for Active Duty Personnel	\$-11,323
Reduction reflects the decline in Active Duty population resulting from the Quadrennial Defense Review personnel reductions. Projected Emergency Medical Care for active duty personnel should decrease accordingly.	

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases (continued)

9. FY 1999 Current Request

(Dollars in Thousands)

\$3,971,415

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98/FY99</u>
USTF Eligible Beneficiaries (DoD Only)	104,309	104,309	104,309	
Active Duty Personnel (CONUS only) *	1,377,565	1,349,721	1,319,736	-29,985
CHAMPUS Eligibles Covered by Managed Care Support Contracts **	3,474,801	5,041,339	4,995,385	-45,954

* Active Duty Personnel reflects the impact of the Quadrennial Defense Review.

** Data is based on the start date of delivered health care services (six months after contract award).

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	Priv Sector Care - CONUS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1998 Program	Program Growth	FY1998 Program
308	Travel of Persons	3442	0	1.50	52	0	0	3494
399	Total Travel	3442	0	1.50	52	0	0	3494
401	DFSC Fuel	0	0	19.70	0	0	0	0
402	Service Fund Fuel	0	0	19.70	0	0	0	0
411	Army Sup & Mat	0	0	2.30	0	0	0	0
412	Navy Sup & Mat	0	0	26.30	0	0	0	0
414	AF Sup & Mat	0	0	19.30	0	0	0	0
415	DLA Sup & Mat	0	0	1.60	0	0	0	0
416	GSA Sup & Mat	0	0	1.50	0	0	0	0
417	Local Proc Sup & Mat	2846	0	1.50	43	0	0	2889
499	Total Sup & Mat	2846	0	1.50	43	0	0	2889
502	Army Fund Equipt	0	0	2.30	0	0	0	0
503	Navy Fund Equipt	0	0	26.30	0	0	0	0
505	AF Fund Equipt	0	0	19.30	0	0	0	0
506	DLA Fund Equipt	0	0	1.60	0	0	0	0
507	GSA Fund Equipt	0	0	1.50	0	0	0	0
599	Total Fund Equipt	0	0	0	0	0	0	0
602	Army Depot Cmd Maint	0	0	4.00	0	0	0	0
611	Naval Surface War Ctr	0	0	8.10	0	0	0	0
615	Data Automat Ctr Navy	0	0	6.80	0	0	0	0
620	Fleet Aux Ships Navy	0	0	1.50	0	0	0	0
630	Naval Rsch Lab	0	0	-0.10	0	0	0	0
631	Naval Civil Engnr Ctr	0	0	2.10	0	0	0	0
633	Naval Pub & Prmt Svc	0	0	-4.00	0	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE Priv Sector Care - CONUS						
634 Nav Pub Wrks Ctr. Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr. Pub Wrks	0	0	0.30	0	0	0
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	0	0	-11.00	0	0	0
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	0	0	1.50	0	0	0
799 Total Transportation	0	0	0	0	0	0
9XX Civ Pay Reimburs Host	0	0	2.20	0	0	0
901 Foreign Nat Ind Hire	0	0	2.20	0	0	0
902 Separation Liability	0	0	2.20	0	0	0
912 Rental Pay to GSA	0	0	0.00	0	0	0
913 Purchased Utilities	0	0	1.50	0	0	0
914 Purchased Communica	0	0	1.50	0	0	0
915 Rents non GSA	0	0	1.50	0	0	0
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	0	0	1.50	0	0	0
921 Printing & Reproduct	0	0	1.50	0	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE Priv Sector Care - CONUS					
922 Equipt Maint Contract	0	0	1.50	0	0
923 Facility Maint Contract	0	0	1.50	0	0
925 Equipt Purchases	0	0	1.50	0	0
926 Overseas Purchases	0	0	1.50	0	0
930 Other Depot Maint	0	0	1.50	0	0
931 Contract Consultants	0	0	1.50	0	0
932 Mgmt & Prof Spt Svc	0	0	1.50	0	0
933 Studies Analysis Eval	0	0	1.50	0	0
934 Engineering Tech Svc	0	0	1.50	0	0
937 Fuel	0	0	1.50	0	0
988 Grants	0	0	1.50	0	0
989 Other Contracts	3434825	0	3.40	116784	47261
998 Other Costs*	343885	0	3.40	11692	10877
999 Total Purchases	3778710	0		128476	58138
9999 TOTAL	3784998	0		128571	58138
					3971707

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE Priv Sector Care - CONUS						
308 Travel of Persons	3494	0	1.60	56	0	3550
399 Total Travel	3494	0		56	0	3550
401 DFSC Fuel	0	0	-8.80	0	0	0
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	0	0	-5.80	0	0	0
414 AF Sup & Mat	0	0	0.40	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0
416 GSA Sup & Mat	0	0	1.60	0	0	0
417 Local Proc Sup & Mat	2889	0	1.60	46	0	2935
499 Total Sup & Mat	2889	0		46	0	2935
502 Army Fund Equip	0	0	7.60	0	0	0
503 Navy Fund Equip	0	0	-5.80	0	0	0
505 AF Fund Equip	0	0	0.40	0	0	0
506 DLA Fund Equip	0	0	-1.00	0	0	0
507 GSA Fund Equip	0	0	1.60	0	0	0
599 Total Fund Equip	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prnt Svc	0	0	5.70	0	0	0

PRIVATE SECTOR CARE - CONUS

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE Priv Sector Care - CONUS						
634 Nav Pub Wrks Ctr: Utilities	0	0	0	-9.30	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	0	0	0	-1.40	0	0
637 Naval Shipyards	0	0	0	-12.10	0	0
653 Airlift Svcs Trng & Ops	0	0	0	3.70	0	0
671 Communications Svc	0	0	0	-0.60	0	0
673 Def Finance & Acct Svc	0	0	0	3.70	0	0
679 Cost Reimbursible Svc	0	0	0	1.60	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	0	7.00	0	0
702 MAC SAAM	0	0	0	-0.90	0	0
711 MSC Cargo	0	0	0	-24.80	0	0
721 MTMC Port Handling	0	0	0	-30.80	0	0
725 MTMC Other	0	0	0	0.00	0	0
771 Commercial Transportation	0	0	0	1.60	0	0
799 Total Transportation	0	0	0	0	0	0
9XX Civ Pay Reimburs Host	0	0	0	3.03	0	0
901 Foreign Nat Ind Hire	0	0	0	3.03	0	0
902 Separation Liability	0	0	0	3.03	0	0
912 Rental Pay to GSA	0	0	0	0.00	0	0
913 Purchased Utilities	0	0	0	1.60	0	0
914 Purchased Communica	0	0	0	1.60	0	0
915 Rents non GSA	0	0	0	1.60	0	0
917 Postal Svcs	0	0	0	0.00	0	0
920 Supplies & Mat	0	0	0	1.60	0	0
921 Printing & Reproduct	0	0	0	1.60	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1998 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1999 Program</u>
LINE Priv Sector Care - CONUS						
922	Equip Maint Contract	0	0	1.60	0	0
923	Facility Maint Contract	0	0	1.60	0	0
925	Equip Purchases	0	0	1.60	0	0
926	Overseas Purchases	0	0	1.60	0	0
930	Other Depot Maint	0	0	1.60	0	0
931	Contract Consultants	0	0	1.60	0	0
932	Mgmt & Prof Spt Svc	0	0	1.60	0	0
933	Studies Analysis Eval	0	0	1.60	0	0
934	Engineering Tech Svc	0	0	1.60	0	0
937	Fuel	0	0	1.60	0	0
988	Grants	0	0	1.60	0	0
989	Other Contracts	3598870	0	3.90	140356	-155042
998	Other Costs*	366454	0	3.90	14292	0
999	Total Purchases	3965324	0	154648	-155042	3964930
9999	TOTAL	3971707	0	154750	-155042	3971415

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Private Sector Care - OCONUS

I. Description of Operations Financed: This subactivity provides for all medical care received by DoD eligible beneficiaries in the private sector outside the Continental United States (OCONUS). This includes the following health care programs: (1) The TRICARE Overseas Program which covers the TRICARE Europe, TRICARE Pacific and TRICARE Latin America regions. This is a dual option program offering TRICARE Prime or TRICARE Standard to the eligible beneficiaries overseas. There are additional benefits for overseas beneficiaries who choose the TRICARE Prime option - these include waived copayments and deductibles for authorized medical care delivered by host-nation network providers. (2) This subactivity also supports the OCONUS emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible from a military treatment facility.

II. Force Structure Summary: Approximately a half million DoD beneficiaries are eligible to receive care under these health care programs. The TRICARE Overseas Program includes health care services and Fiscal Intermediary processing costs. Emergency Medical Care for Active Duty personnel covers care received in any OCONUS civilian health care facility.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	<u>FY 1998</u>		<u>FY 1999</u>	
	<u>Budget</u>	<u>Appropriation</u>	<u>Current</u>	<u>FY 1999 Estimate</u>
TRICARE Overseas Program	<u>81,200</u>	<u>81,200</u>	<u>79,810</u>	<u>83,752</u>
Purchased Emergency Care (OCONUS)	<u>18,673</u>	<u>18,673</u>	<u>16,513</u>	<u>15,228</u>
93,706	99,873		96,323	98,980

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

B. Reconciliation Summary - Private Sector Care - OCONUS

	Change FY 1998/1999	Change FY 1998/1999
Baseline Funding	99,873	96,323
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	3,732
Functional Transfers	0	0
Program Changes	-3,550	-1,075
Current Estimate	96,323	98,980

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

1. FY 1998 President's Budget Request
\$99,873
2. FY 1998 Appropriated Amount
\$99,873
3. FY 1998 Program Decreases
\$-3,550
- a. OCONUS Emergency Medical Care for Active Duty Personnel
\$-2,160

Reflects the effect of the declining active duty population projected for overseas.

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases (continued)

		(Dollars in Thousands)
b.	TRICARE Overseas Program	\$-1,390
	Reduction in FY98 requirements is based on the FY97 execution.	
4.	FY 1998 Current Estimate	\$96,323
5.	FY 1999 Price Growth	\$3,732
6.	FY 1999 Program Increases	\$829
a.	TRICARE Overseas Program	
	Based on prior years' execution, the program growth is projected to increase less than one percent over the prior year program. The effects of implementing the TRICARE Overseas Prime option are reflected in this requirement.	
7.	FY 1999 Program Decreases	\$-1,904
a.	Emergency Medical Care for Active Duty Personnel	
	Reduction reflects the decline in active duty personnel based on the Quadrennial Defense Review.	
8.	FY 1999 Current Request	\$98,980

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY98/FY99</u>
Active Duty Personnel (OCONUS only) *	229,954	226,892	222,477	-4,415

* Active Duty Personnel reflects the impact of the Quadrennial Defense Review.

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	Priv Sector Care - OCONUS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1998 Program
308	Travel of Persons	579	0	1.50	9	0
399	Total Travel	579	0		9	0
401	DFSC Fuel	0	0	19.70	0	0
402	Service Fund Fuel	0	0	19.70	0	0
411	Army Sup & Mat	0	0	2.30	0	0
412	Navy Sup & Mat	0	0	26.30	0	0
414	AF Sup & Mat	0	0	19.30	0	0
415	DLA Sup & Mat	0	0	1.60	0	0
416	GSA Sup & Mat	0	0	1.50	0	0
417	Local Proc Sup & Mat	479	0	1.50	7	486
499	Total Sup & Mat	479	0		7	486
502	Army Fund Equip	0	0	2.30	0	0
503	Navy Fund Equip	0	0	26.30	0	0
505	AF Fund Equip	0	0	19.30	0	0
506	DLA Fund Equip	0	0	1.60	0	0
507	GSA Fund Equip	0	0	1.50	0	0
599	Total Fund Equip	0	0		0	0
602	Army Depot Cmd Maint	0	0	4.00	0	0
611	Naval Surface War Ctr	0	0	8.10	0	0
615	Data Automat Ctr Navy	0	0	6.80	0	0
620	Fleet Aux Ships Navy	0	0	1.50	0	0
630	Naval Rsch Lab	0	0	-0.10	0	0
631	Naval Civil Engnr Ctr	0	0	2.10	0	0
633	Naval Pub & Pmt Svc	0	0	-4.00	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1998 Program	Program Growth
LINE Priv Sector Care - OCONUS						
634	Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	0.30	0	0
637	Naval Shipyards	0	0	19.60	0	0
653	Airlift Svcs Trng & Ops	0	0	19.80	0	0
671	Communications Svc	0	0	-11.00	0	0
673	Def Finance & Acct Svc	0	0	-12.60	0	0
679	Cost Reimbursible Svc	0	0	1.50	0	0
699	Total Purchases	0	0	0	0	0
701	MAC Cargo	0	0	5.00	0	0
702	MAC SAAM	0	0	17.80	0	0
711	MSC Cargo	0	0	9.30	0	0
721	MTMC Port Handling	0	0	5.70	0	0
725	MTMC Other	0	0	-7.90	0	0
771	Commercial Transportation	0	0	1.50	0	0
799	Total Transportation	0	0	0	0	0
9XX	Civ Pay Reimburs Host	0	0	2.20	0	0
901	Foreign Nat Ind Hire	0	0	2.20	0	0
902	Separation Liability	0	0	2.20	0	0
912	Rental Pay to GSA	0	0	0.00	0	0
913	Purchased Utilities	0	0	1.50	0	0
914	Purchased Communica	0	0	1.50	0	0
915	Rents non GSA	0	0	1.50	0	0
917	Postal Svcs	0	0	0.00	0	0
920	Supplies & Mat	0	0	1.50	0	0
921	Printing & Reproduct	0	0	1.50	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE Priv Sector Care - OCONUS						
922 Equipt Maint Contract	0	0	1.50	0	0	0
923 Facility Maint Contract	0	0	1.50	0	0	0
925 Equipt Purchases	0	0	1.50	0	0	0
926 Overseas Purchases	0	0	1.50	0	0	0
930 Other Depot Maint	0	0	1.50	0	0	0
931 Contract Consultants	0	0	1.50	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.50	0	0	0
933 Studies Analysis Eval	0	0	1.50	0	0	0
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	0	0	1.50	0	0	0
988 Grants	0	0	1.50	0	0	0
989 Other Contracts	92648	0	3.40	3150	-549	95249
998 Other Costs*	0	0	3.40	0	0	0
999 Total Purchases	92648	0		3150	-549	95249
9999 TOTAL	93706	0		3166	-549	96323

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	Priv Sector Care - OCONUS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
308	Travel of Persons	588	0	1.60	9	0	597
399	Total Travel	588	0		9	0	597
401	DFSC Fuel	0	0	-8.80	0	0	0
402	Service Fund Fuel	0	0	-8.80	0	0	0
411	Army Sup & Mat	0	0	7.60	0	0	0
412	Navy Sup & Mat	0	0	-5.80	0	0	0
414	AF Sup & Mat	0	0	0.40	0	0	0
415	DLA Sup & Mat	0	0	-1.00	0	0	0
416	GSA Sup & Mat	0	0	1.60	0	0	0
417	Local Proc Sup & Mat	486	0	1.60	8	-3	491
499	Total Sup & Mat	486	0		8	-3	491
502	Army Fund Equip	0	0	7.60	0	0	0
503	Navy Fund Equip	0	0	-5.80	0	0	0
505	AF Fund Equip	0	0	0.40	0	0	0
506	DLA Fund Equip	0	0	-1.00	0	0	0
507	GSA Fund Equip	0	0	1.60	0	0	0
599	Total Fund Equip	0	0		0	0	0
602	Army Depot Cmd Maint	0	0	12.70	0	0	0
611	Naval Surface War Ctr	0	0	1.60	0	0	0
615	Data Automat Ctr Navy	0	0	-11.40	0	0	0
620	Fleet Aux Ships Navy	0	0	1.60	0	0	0
630	Naval Rsch Lab	0	0	4.90	0	0	0
631	Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633	Naval Pub & Prnt Svc	0	0	5.70	0	0	0

PRIVATE SECTOR CARE - OCONUS

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE Priv Sector Care - OCONUS						
634 Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	0	0	-1.40	0	0	0
637 Naval Shipyards	0	0	-12.10	0	0	0
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	0	0	-0.60	0	0	0
673 Def Finance & Acct Svc	0	0	3.70	0	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	7.00	0	0	0
702 MAC SAAM	0	0	-0.90	0	0	0
711 MSC Cargo	0	0	-24.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	0	0	1.60	0	0	0
799 Total Transportation	0	0	0	0	0	0
9XX Civ Pay Reimburs Host	0	0	3.03	0	0	0
901 Foreign Nat Ind Hire	0	0	3.03	0	0	0
902 Separation Liability	0	0	3.03	0	0	0
912 Rental Pay to GSA	0	0	0.00	0	0	0
913 Purchased Utilities	0	0	1.60	0	0	0
914 Purchased Communica	0	0	1.60	0	0	0
915 Rents non GSA	0	0	1.60	0	0	0
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	0	0	1.60	0	0	0
921 Printing & Reproduct	0	0	1.60	0	0	0

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

<u>FY1998 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1999 Program</u>
LINE Priv Sector Care - OCONUS					
922 Equip Maint Contract	0	0	1.60	0	0
923 Facility Maint Contract	0	0	1.60	0	0
925 Equip Purchases	0	0	1.60	0	0
926 Overseas Purchases	0	0	1.60	0	0
930 Other Depot Maint	0	0	1.60	0	0
931 Contract Consultants	0	0	1.60	0	0
932 Mgmt & Prof Spt Svc	0	0	1.60	0	0
933 Studies Analysis Eval	0	0	1.60	0	0
934 Engineering Tech Svc	0	0	1.60	0	0
937 Fuel	0	0	1.60	0	0
988 Grants	0	0	1.60	0	0
989 Other Contracts	95249	0	3.90	3715	-1072
998 Other Costs*	0	0	3.90	0	0
999 Total Purchases	95249	0		3715	-1072
9999 TOTAL	96323	0		3732	-1075
					98980

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

Detail By Sub-Activity Group: Information Management

I. Description of Operations Financed: MAJOR SYSTEMS - The Chief Information Officer for the Defense Health Program provides planning, integration, program oversight, and policy formulation for the Military Health Systems (MHS). The MHS IM/IT Program focuses on the implementation of Defense-wide standards to ensure integration, interoperability, and commonality with DoD. Included in the IM/IT program are four major initiatives: Composite Health Care System (CHCS II) which supports new functions in the Computer-based Patient Record and integrate pertinent functions that currently exist, are in development or planned for more than 50 DoD and Service-specific legacy and interim migration automated information systems; Corporate Executive Information System (CEIS) designed to meet multilevel healthcare management information needs by providing the opportunity to consolidate and integrate data from the legacy systems; Defense Medical Logistics Standard Support System (DMLSS) will support the MHSS in peacetime as well as wartime/contingency, standardize intra-hospital and corporate data and processes, reduce time that direct care providers and other health care personnel spend on logistics activities, and achieve integration and effective communication with other standard DoD systems; and the Theater Medical Information Program will support all echelons of care through integrating medical capabilities under a joint concept of operation to support seamless delivery of medical care. The goal is to provide a global medical information capability linking information databases that are accessible to the warfighter anywhere. **MINOR SYSTEMS** - Included in the IM/IT program are two minor initiatives: Health Standard Resources System (HSRS) is the MHS target system that will support all MHS standard resource management applications, functions, and reengineered business practices and the Tri-Service Infrastructure Management Program Office will establish and manage a standards-based infrastructure within the MHS.

II. Force Structure Summary: This program funds the costs of the development, deployment, and sustainment of the major and minor automated information systems in support of military medical readiness and promoting quality health care services to members of the armed forces, their families, and others entitled to DoD healthcare.

DEFENSE HEALTH PROGRAM
 FY 1999 AMENDED BUDGET ESTIMATES
 OPERATION AND MAINTENANCE

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Information Management

	<u>FY 1997 Actual</u>	<u>FY 1998</u>		<u>FY 1999 Current Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>	
Major Systems	179,064	202,301	205,802	177,178
Minor Systems	30,851	20,028	13,527	38,454
Total	209,915	222,329	219,329	215,632
				274,371

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	<u>Change FY 1998 / FY 1998</u>	<u>Change FY 1998 / FY 1999</u>	
Baseline Funding			
Congressional Adjustments	222,329	215,632	
Supplemental Request	-3,000	0	
Price Change	0	0	
Functional Transfer	0	3,451	
Program Changes	-3,697	0	
Current Estimate	215,632	55,288	
			274,371

C. OP-32 Line Item: See OP-32 Exhibits for Major and Minor Systems.

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request

\$222,329

OP-5 Part 2 Information Management (Page 2 of 4)

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**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

2. Congressional Adjustments		\$-3,000
a. PACMEDNET	+10,000	
b. Military Health Information Services	+ 7,000	
c. High Risk Automation	-20,000	
3. Total FY 1998 Appropriated		\$219,329
4. Program Decrease		-\$3,697
a. The FY 98 decrease is the result of revised funding guidance in the use of Defense Health Program Other Procurement funds. Revised guidance resulted in a decrease of O&M funds which migrated to the Other Procurement budget.		
5. FY 1998 Current Estimate		\$215,632
6. Price Growth		\$3,451
7. Program Decreases		-\$17,272
a. Reverse FY 1998 One-Time Congressional Increases		
PACMEDNET	-10,160	
Military Health Information Services	- 7,112	
8. Program Increase		+\$72,560
a. The increase is due to the re-baselining of the MHS information technology program to accelerate deployment of urgently needed information technology products. Automation is essential to support ambulatory data collection. As over half of our patient care is provided in an ambulatory mode, information to manage that care is essential if we are to achieve the utilization management goals for this program. Also, the managed care support (MCS) contracts mandate the contractors to use some of our automation systems to reduce MCS costs.		

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

9. FY 1999 Current Estimate

V. Personnel Summary: See the OP-5 Exhibits for Major and Minor Systems.

\$274,371

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: Information Management - Major Systems

- I. Description of Operations Financed:** The Chief Information Officer for the Defense Health Program provides planning, integration, program oversight, and policy formulation for the Military Health Services Systems (MHSS). The MHSS IM/IT Program focuses on the implementation of Defense-wide standards to ensure integration, interoperability, and commonality with DoD. Included in the IM/IT program are four major initiatives: Composite Health Care System (CHCS II) which supports new functions in the Computer-based Patient Record and integrate pertinent functions that currently exist, are in development or planned for more than 50 DoD and Service-specific legacy and interim migration automated information systems; Corporate Executive Information System (CEIS) designed to meet multilevel healthcare management information needs by providing the opportunity to consolidate and integrate data from the legacy systems; Defense Medical Logistics Standard Support System (DMLSS) will support the MHSS in peacetime as well as wartime/contingency, standardize intra-hospital and corporate data and processes, reduce time that direct care providers and other health care personnel spend on logistics activities, and achieve integration and effective communication with other standard DoD systems; and the Theater Medical Information Program will support all echelons of care through integrating medical capabilities under a joint concept of operation to support seamless delivery of medical care. The goal is to provide a global medical information capability linking information databases that are accessible to the warfighter anywhere.
- II. Force Structure Summary:** This program funds the costs of the development, deployment, and sustainment of the major automated information systems in support of military medical readiness and promoting quality health care services to members of the armed forces, their families, and others entitled to DoD healthcare.

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Information Management - Major Systems

	<u>FY 1998</u>		<u>FY 1999</u>	
	<u>Budget</u>	<u>Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>
FY 1997 <u>Actual</u>				
Composite Health Care System II	154,476	170,569	182,231	141,074
Corporate Executive Info System	8,467	19,004	15,747	22,978
Defense Medical Logistics Standard				
Support System	8,896	6,300	3,997	6,879
Theater Medical Information Program	7,225	6,428	3,827	6,247
Total	179,064	202,301	205,802	177,178
				216,096

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	<u>Change</u>	<u>Change</u>
	<u>FY 1998 / FY 1998</u>	<u>FY 1998 / FY 1999</u>
Baseline Funding		
Congressional Adjustments	202,301	177,178
Supplemental Request	3,501	0
Price Change	0	0
Functional Transfer	0	+2,835
Program Changes	-28,624	0
Current Estimate	177,178	+36,083
		216,096

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request	\$202,301
2. Congressional Adjustments	\$+3,501
	+10,000 + 7,000 -13,499
3. Total FY 1998 Appropriated	\$205,802
4. Program Decrease	-\$28,624
	a. The FY 98 decrease is the result of revised funding guidance in the use of Defense Health Program Other Procurement funds. Revised guidance resulted in a decrease of O&M funds which migrated to the Other Procurement budget. Also, funds migrated from major systems to minor systems to support essential infrastructure required to implement medical automation throughout the MHSS.
5. FY 1998 Current Estimate	\$177,178
6. Price Growth	+\$2,835
7. Program Decreases	-\$17,272
	a. Reverse FY 1998 One-Time Congressional Increases

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

PACMEDNET
Military Health Information Services

-10,160
- 7,112

8. Program Increase

a. The increase is due to the re-baselining of the MHSS information technology program to accelerate deployment of urgently needed information technology products. Automation is essential to support ambulatory data collection. As over half of our patient care is provided in an ambulatory mode, information to manage that care is essential if we are to achieve the utilization management goals for this program. Also, the managed care support (MCS) contracts mandate the contractors to use some of our automation systems to reduce MCS costs.

9. FY 1999 Current Estimate

V. Personnel Summary:

<u>Active Military End Strength</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u>
Officer	0	0	0	0
Enlisted	0	0	0	0
Total Military End Strength	0	0	0	0
 <u>Civilian End Strength</u>				
U.S. Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian End Strength	0	0	0	0

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

<u>Military Workyears</u>				
Officer	0	0	0	0
Enlisted	0	0	0	0
Total	0	0	0	0
 <u>Civilian Workyears (Total)</u>				
U.S. Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian Workyears	0	0	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE INFO MGMT - MAJOR SYSTEMS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
308 Travel of Persons	2408	0	1.50	36	420	2864
399 Total Travel	2408	0	1.50	36	420	2864
401 DFSC Fuel	0	0	19.70	0	0	0
402 Service Fund Fuel	0	0	19.70	0	0	0
411 Army Sup & Mat	0	0	2.30	0	0	0
412 Navy Sup & Mat	0	0	26.30	0	0	0
414 AF Sup & Mat	0	0	19.30	0	0	0
415 DLA Sup & Mat	0	0	1.60	0	0	0
416 GSA Sup & Mat	0	0	1.50	0	0	0
417 Local Proc Sup & Mat	0	0	1.50	0	0	0
499 Total Sup & Mat	0	0	0	0	0	0
502 Army Fund Equip	0	0	2.30	0	0	0
503 Navy Fund Equip	0	0	26.30	0	0	0
505 AF Fund Equip	0	0	19.30	0	0	0
506 DLA Fund Equip	0	0	1.60	0	0	0
507 GSA Fund Equip	0	0	1.50	0	0	0
599 Total Fund Equip	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	4.00	0	0	0
611 Naval Surface War Ctr	0	0	8.10	0	0	0
615 Data Automat Ctr Navy	0	0	6.80	0	0	0
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	0	0	-0.10	0	0	0
631 Naval Civil Engnr Ctr	0	0	2.10	0	0	0
633 Naval Pub & Prnt Svc	0	0	-4.00	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>Price Growth Program</u>
LINEINFO MGMT - MAJOR SYSTEMS						
634 Nav Pub Wrks Ctr. Utilities	0	0	0	-1.00	0	0
635 Nav Pub Wrks Ctr. Pub Wrks	0	0	0	0.30	0	0
637 Naval Shipyards	0	0	0	19.60	0	0
653 Airlift Svcs Trng & Ops	0	0	0	19.80	0	0
671 Communications Svc	0	0	0	-11.00	0	0
673 Def Finance & Acct Svc	0	0	0	-12.60	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	0	5.00	0	0
702 MAC SAAM	0	0	0	17.80	0	0
711 MSC Cargo	0	0	0	9.30	0	0
721 MTMC Port Handling	0	0	0	5.70	0	0
725 MTMC Other	0	0	0	-7.90	0	0
771 Commercial Transportation	1	0	1.50	0	0	1
799 Total Transportation	1	0	0	0	0	1
9XX Civ Pay Reimburs Host	0	0	0	2.20	0	0
901 Foreign Nat Ind Hire	0	0	0	2.20	0	0
902 Separation Liability	0	0	0	2.20	0	0
912 Rental Pay to GSA	0	0	0	0.00	0	0
913 Purchased Utilities	0	0	0	1.50	0	0
914 Purchased Communica	1098	0	0	1.50	16	19
915 Rents non GSA	0	0	0	1.50	0	0
917 Postal Svcs	0	0	0	0.00	0	0
920 Supplies & Mat	2748	0	0	1.50	41	-102
921 Printing & Reproduct	1	0	0	1.50	1	0
						2687

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE INFO MGMT - MAJOR SYSTEMS						
922 Equipt Maint Contract	12966	0	1.50	194	-176	12984
923 Facility Maint Contract	0	0	1.50	0	0	0
925 Equipt Purchases	499	0	1.50	7	346	852
926 Overseas Purchases	0	0	1.50	0	0	0
930 Other Depot Maint	0	0	1.50	0	0	0
931 Contract Consultants	0	0	1.50	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.50	0	0	0
933 Studies Analysis Eval	0	0	1.50	0	0	0
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	0	0	1.50	0	0	0
988 Grants	0	0	1.50	0	0	0
989 Other Contracts	159343	0	1.50	2390	-5077	156656
998 Other Costs*	0	0	1.50	0	0	0
999 Total Purchases	176655	0		2648	-4990	174313
9999 TOTAL	179064	0		2684	-4570	177178

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Amount	Program Growth	FY1999 Program
LINE INFO MGMT - MAJOR SYSTEMS						
308 Travel of Persons	2864	0	1.60	46	109	3019
399 Total Travel	2864	0				3019
401 DFSC Fuel	0	0	-8.80	0	0	0
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	0	0	-5.80	0	0	0
414 AF Sup & Mat	0	0	0.40	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0
416 GSA Sup & Mat	0	0	1.60	0	0	0
417 Local Proc Sup & Mat	0	0	1.60	0	0	0
499 Total Sup & Mat	0	0	0	0	0	0
502 Army Fund Eequipt	0	0	7.60	0	0	0
503 Navy Fund Eequipt	0	0	-5.80	0	0	0
505 AF Fund Eequipt	0	0	0.40	0	0	0
506 DLA Fund Eequipt	0	0	-1.00	0	0	0
507 GSA Fund Eequipt	0	0	1.60	0	0	0
599 Total Fund Eequipt	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engrn Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prnt Svc	0	0	5.70	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE INFO MGMT - MAJOR SYSTEMS						
634	Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	-1.40	0	0
637	Naval Shipyards	0	0	-12.10	0	0
653	Airlift Svcs Tmg & Ops	0	0	3.70	0	0
671	Communications Svc	0	0	-0.60	0	0
673	Def Finance & Acct Svc	0	0	3.70	0	0
679	Cost Reimbursible Svc	0	0	1.60	0	0
699	Total Purchases	0	0	0	0	0
701	MAC Cargo	0	0	7.00	0	0
702	MAC SAAM	0	0	-0.90	0	0
711	MSC Cargo	0	0	-24.80	0	0
721	MTMC Port Handling	0	0	-30.80	0	0
725	MTMC Other	0	0	0.00	0	0
771	Commercial Transportation	1	0	1.60	0	1
799	Total Transportation	1	0	0	0	1
9XX	Civ Pay Reimburs Host	0	0	3.03	0	0
901	Foreign Nat Ind Hire	0	0	3.03	0	0
902	Separation Liability	0	0	3.03	0	0
912	Rental Pay to GSA	0	0	0.00	0	0
913	Purchased Utilities	0	0	1.60	0	0
914	Purchased Communica	1133	0	1.60	18	102
915	Rents non GSA	0	0	1.60	0	0
917	Postal Svcs	0	0	0.00	0	0
920	Supplies & Mat	0	0	1.60	43	2990
921	Printing & Reproduct	1	0	1.60	260	1

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1998 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1999 Program</u>
LINE INFO MGMT - MAJOR SYSTEMS						
922 Equipment Maint Contract	12984	0	1.60	208	1289	14481
923 Facility Maint Contract	0	0	1.60	0	0	0
925 Equipment Purchases	852	0	1.60	14	55	921
926 Overseas Purchases	0	0	1.60	0	0	0
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	0	0	1.60	0	0	0
932 Mgmt & Prof Spc Svc	0	0	1.60	0	0	0
933 Studies Analysis Eval	0	0	1.60	0	0	0
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	0	0	1.60	0	0	0
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	156656	0	1.60	2506	34268	193430
998 Other Costs*	0	0	1.60	0	0	0
999 Total Purchases	174313	0		2789	35974	213076
9999 TOTAL	177178	0		2835	36083	216096

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: **Information Management - Minor Systems**

I. Description of Operations Financed: The Chief Information Officer for the Defense Health Program provides planning, integration, program oversight, and policy formulation for the Military Health Services Systems (MHSS). The MHSS IM/IT Program focuses on the implementation of Defense-wide standards to ensure integration, interoperability, and commonality with DoD. Included in the IM/IT program are two minor initiatives: Health Standard Resources System (HSRS) is the MHSS target system that will support all MHSS standard resource management applications, functions, and reengineered business practices and the Tri-Service Infrastructure Management Program Office will establish and manage a standards-based infrastructure within the MHSS.

II. Force Structure Summary: This program funds the costs of the development, deployment, and sustainment of the major automated information systems in support of military medical readiness and promoting quality health care services to members of the armed forces, their families, and others entitled to DoD healthcare.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Information Management - Minor Systems

	FY 1998			FY 1999	
	<u>Budget</u>	<u>Request</u>	<u>Appropriated</u>	<u>Current</u>	<u>Current</u>
Health Standard Resource System	5,591	4,795	2,907	7,724	14,079
Tri-Service Infrastructure Program	25,260	15,233	10,620	30,730	44,196
Total	30,851	20,028	13,527	38,454	58,275

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	Change FY 1998 / FY 1999	Change FY 1998 / FY 1999
--	-----------------------------	-----------------------------

Baseline Funding	20,028	38,454
Congressional Adjustments	-6,501	0
Supplemental Request	0	0
Price Change	0	616
Functional Transfer	0	0
Program Changes	24,927	19,205
Current Estimate	38,454	58,275

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request	\$20,028
2. Congressional Adjustments	-\$6,501
a. High Risk Automation	\$-6,501
3. FY 1998 Appropriated	13,527
4. Program Increase	24,927

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

- a. Increase supports modifications, enhancements, and deployment of various information technology products based on a rebaselining of the military health services system information technology program. Also, funds migrated from major systems to minor systems to support essential infrastructure required to implement medical automation throughout the MHSS.
- 5. FY 1998 Current Estimate
- 6. Price Growth
- 7. Program Increase

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

V. Personnel Summary:

	<u>Active Military End Strength</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY 1998/1999</u>
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Total Military End Strength	0	0	0	0	0
 <u>Civilian End Strength</u>					
U.S. Direct Hire	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Civilian End Strength	0	0	0	0	0
 <u>Military Workyears</u>					
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Total	0	0	0	0	0
 <u>Civilian Workyears (Total)</u>					
U.S. Direct Hire	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Civilian Workyears	0	0	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE INFO MGMT - MINOR SYSTEMS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Amount	Program Growth	FY1998 Program
308 Travel of Persons	9	0	1.50	0	6	15
399 Total Travel	9	0	1.50	0	6	15
401 DFSC Fuel	0	0	19.70	0	0	0
402 Service Fund Fuel	0	0	19.70	0	0	0
411 Army Sup & Mat	0	0	2.30	0	0	0
412 Navy Sup & Mat	0	0	26.30	0	0	0
414 AF Sup & Mat	0	0	19.30	0	0	0
415 DLA Sup & Mat	0	0	1.60	0	0	0
416 GSA Sup & Mat	0	0	1.50	0	0	0
417 Local Proc Sup & Mat	0	0	1.50	0	0	0
499 Total Sup & Mat	0	0	0	0	0	0
502 Army Fund Eqipt	0	0	2.30	0	0	0
503 Navy Fund Eqipt	0	0	26.30	0	0	0
505 AF Fund Eqipt	0	0	19.30	0	0	0
506 DLA Fund Eqipt	0	0	1.60	0	0	0
507 GSA Fund Eqipt	0	0	1.50	0	0	0
599 Total Fund Eqipt	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	4.00	0	0	0
611 Naval Surface War Ctr	0	0	8.10	0	0	0
615 Data Automat Ctr Navy	0	0	6.80	0	0	0
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	0	0	-0.10	0	0	0
631 Naval Civil Engnr Ctr	0	0	2.10	0	0	0
633 Naval Pub & Prnt Svc	0	0	-4.00	0	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	Price Growth Program
LINE INFO MGMT - MINOR SYSTEMS						
634 Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	0	0	0.30	0	0	0
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	0	0	-11.00	0	0	0
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	0	0	1.50	0	0	0
799 Total Transportation	0	0	0	0	0	0
9XX Civ Pay Reimburs Host	0	0	2.20	0	0	0
901 Foreign Nat Ind Hire	0	0	2.20	0	0	0
902 Separation Liability	0	0	2.20	0	0	0
912 Rental Pay to GSA	0	0	0.00	0	0	0
913 Purchased Utilities	0	0	1.50	0	0	0
914 Purchased Communica	0	0	1.50	0	0	0
915 Rents non GSA	100	0	1.50	2	64	166
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	0	0	1.50	0	0	0
921 Printing & Reproduct	0	0	1.50	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE INFO MGMT - MINOR SYSTEMS						
922	Equip Maint Contract	1848	0	1.50	28	9420
923	Facility Maint Contract	0	0	1.50	0	0
925	Equip Purchases	436	0	1.50	7	724
926	Overseas Purchases	0	0	1.50	0	0
930	Other Depot Maint	0	0	1.50	0	0
931	Contract Consultants	0	0	1.50	0	0
932	Mgmt & Prof Spt Svc	0	0	1.50	0	0
933	Studies Analysis Eval	0	0	1.50	0	0
934	Engineering Tech Svc	0	0	1.50	0	0
937	Fuel	0	0	1.50	0	0
988	Grants	0	0	1.50	0	0
989	Other Contracts	8405	0	1.50	126	16789
998	Other Costs*	0	0	1.50	0	0
999	Total Purchases	30842	0		464	7133
9999	TOTAL	30851	0		464	7139
						38454

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE INFO MGMT - MINOR SYSTEMS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
308 Travel of Persons	15	0	1.60	0	4	19
399 Total Travel	15	0	0	0	4	19
401 DFSC Fuel	0	0	-8.80	0	0	0
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	0	0	-5.80	0	0	0
414 AF Sup & Mat	0	0	0.40	0	0	0
415 DLA Sup & Mat	0	0	-1.00	0	0	0
416 GSA Sup & Mat	0	0	1.60	0	0	0
417 Local Proc Sup & Mat	0	0	1.60	0	0	0
499 Total Sup & Mat	0	0	0	0	0	0
502 Army Fund Equip	0	0	7.60	0	0	0
503 Navy Fund Equip	0	0	-5.80	0	0	0
505 AF Fund Equip	0	0	0.40	0	0	0
506 DLA Fund Equip	0	0	-1.00	0	0	0
507 GSA Fund Equip	0	0	1.60	0	0	0
599 Total Fund Equip	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Pnt Svc	0	0	5.70	0	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	Program Growth	FY1999 Program
LINE INFO MGMT - MINOR SYSTEMS							
634	Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	-1.40	0	0	0
637	Naval Shipyards	0	0	-12.10	0	0	0
653	Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671	Communications Svc	0	0	-0.60	0	0	0
673	Def Finance & Acct Svc	0	0	3.70	0	0	0
679	Cost Reimbursible Svc	0	0	1.60	0	0	0
699	Total Purchases	0	0	0	0	0	0
701	MAC Cargo	0	0	7.00	0	0	0
702	MAC SAAM	0	0	-0.90	0	0	0
711	MSC Cargo	0	0	-24.80	0	0	0
721	MTMC Port Handling	0	0	-30.80	0	0	0
725	MTMC Other	0	0	0.00	0	0	0
771	Commercial Transportation	0	0	1.60	0	0	0
799	Total Transportation	0	0	0	0	0	0
9XX	Civ Pay Reimburs Host	0	0	3.03	0	0	0
901	Foreign Nat Ind Hire	0	0	3.03	0	0	0
902	Separation Liability	0	0	3.03	0	0	0
912	Rental Pay to GSA	0	0	0.00	0	0	0
913	Purchased Utilities	0	0	1.60	0	0	0
914	Purchased Communica	933	0	1.60	15	380	1328
915	Rents non GSA	166	0	1.60	3	36	205
917	Postal Svcs	0	0	0.00	0	0	0
920	Supplies & Mat	0	0	1.60	0	1	1
921	Printing & Reproduct	0	0	1.60	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE INFO MGMT - MINOR SYSTEMS						
9222 Equipt Maint Contract	11296	0	1.60	181	4599	16076
923 Facility Maint Contract	0	0	1.60	0	0	0
925 Equipt Purchases	724	0	1.60	12	160	896
926 Overseas Purchases	0	0	1.60	0	0	0
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	0	0	1.60	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.60	0	0	0
933 Studies Analysis Eval	0	0	1.60	0	0	0
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	0	0	1.60	0	0	0
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	25320	0	1.60	405	14025	39750
998 Other Costs*	0	0	1.60	0	0	0
999 Total Purchases	38439	0		616	19201	58256
9999 TOTAL	38454	0		616	19205	58275

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: **Education and Training**

I. Description of Operations Financed: This sub-activity group provides resources for specialized skills, professional development, officer acquisition, and the Uniformed Services University of the Health Sciences (USUHS). The Specialized Skills program provides officer, enlisted, and civilian medical personnel with the skills and knowledge needed to perform specific jobs. The Professional Development program provides career officer and enlisted medical personnel with training and education to prepare them to perform increasingly complex responsibilities as they progress in their military careers. The Officer Acquisition program includes manpower authorizations, equipment, and associated costs specifically identified and measurable to the conduct of officer acquisition. The USUHS program provides for the education of military physicians and graduate education programs leading to masters or doctoral degrees in the biological sciences. For additional details, see the OP-5 Exhibit for each program.

II. Force Structure Summary: Specialized Skills training provides these required skills to the proper number of individuals in a phased manner so that each vacancy in the structure can be filled promptly with a qualified replacement. Professional Development resources provides education and training for career officer and enlisted medical personnel in broad professional development areas. Officer Acquisition resources provide tuition and other educational expenses for Health Professions Scholarship Program/Financial Assistance Program (HPS/FP) participants in accredited medical, dental, nursing, and certain allied health programs. The Uniformed Services University of the Health Sciences provides for undergraduate medical teaching operations, as well as a limited basic sciences program which is necessary to meet needed teaching requirements and provide graduate education to qualified military personnel assigned to the University for masters and doctoral programs in the biological sciences. For additional details, see the OP-5 Exhibit for each program.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Education and Training

<u>Program</u>	<u>FY 1997 Actual</u>	<u>Budget Request</u>	<u>Appropriated</u>	<u>FY 1998</u>	<u>Current Estimate</u>	<u>FY 1999 Current Estimate</u>
Specialized Skills	88,357	105,587	105,587	100,708	100,708	102,534
Professional Development	55,324	57,962	57,962	55,292	55,292	55,027
Officer Acquisition	75,389	85,623	85,623	85,623	85,623	84,959
USUHS	74,463	51,314	51,314	70,314	70,314	55,760
Total	293,533	300,486	319,486	311,937	311,937	298,280

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

B. Reconciliation Summary:

	<u>Change</u>	<u>FY 1998 / FY 1999</u>	<u>Change</u>	<u>FY 1998 / FY 1999</u>
Baseline Funding				
Congressional Adjustments		300,486		311,937
Supplemental Request		19,000		0
Price Change		0		0
Functional Transfer		0		8,816
Program Changes		-7,549		-3,700
Current Estimate		311,937		-18,773
				298,280

C. **OP-32 Line Item:** See OP-32 Exhibit for each program.

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request		\$300,486
2. Congressional Adjustments		\$19,000
a. USUHS	+13,000	
b. Head Injury	+ 1,000	
c. Military Nursing Research	+ 5,000	
3. FY 1998 Appropriated		\$319,486
3. Program Decreases		-\$7,549
a. Lower than anticipated prior year execution occurred.		-7,549
4. FY 1998 Current Estimate		\$311,937

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

5. Price Growth	\$8,816
6. Functional Transfer	-\$3,700
a. Army Reserve Personnel	
Transfer of resources from Defense Health Program to the Army to fund an additional 226 HPSP slots for Reserve dental students.	-\$3,700
7. Program Increases	\$6,538
a. Commercial Activities	+\$3,000
Provides seed money to conduct A-76 review mandated by Quadrennial Defense Review.	
b. Increase in USUHS utilities usage due to cancellation of phased closure.	+\$1,413
c. Increase in USUHS supplies usage due to cancellation of phased closure.	+\$ 917
d. Increase in USUHS other contracts due to cancellation of phased closure.	+\$ 696
e. Increase in USUHS DFAS accounting costs due to cancellation of phased closure.	+\$ 259
f. Increase in USUHS communications services due to cancellation of phased closure.	+\$ 253
8. Program Decreases	-\$25,311
a. Decrease in Specialized Skills training workload.	-\$3,097
b. Capitation adjustment to resource levels to reflect decrease in active duty end strength in FY 1999 in Professional Development.	-\$1,323
c. Reverse FY 1998 One-Time Congressional Increases	-\$19,304
USUHS	
Head Injury	- 1,016
Military Nursing Research	- 5,080
d. Less expensive resources to be used in FY 1999 for Officer Acquisition.	-\$1,587
9. FY 1999 Current Estimate	\$298,280

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

- IV. Performance Criteria and Evaluation: See Performance Criteria and Evaluation section on the OP-5 Exhibit for each program.
- V. Personnel Summary: See the Personnel Summary on the OP-5 Exhibit for each program.

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: Education and Training - Specialized Skills

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training for active duty personnel, civilian medical personnel and students. This program provides officer, enlisted, and civilian medical personnel with the skills and knowledge needed to perform specific jobs. The program includes initial skills training, specialized skills training, skill progression training, and functional training.

II. Force Structure Summary: Specialized Skills resources provide training of active duty and civilian medical personnel. Each Service's medical mission is supported by an established job structure and each position within that job structure has been analyzed to determine the skill it requires. Specialized Skills training provides these required skills to the proper number of individuals in a phased manner so that each vacancy in the structure can be filled promptly with a qualified replacement. The training loads in the Specialized Skills program have been reduced to reflect DoD declining medical force levels.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Education and Training - Specialized Skills

	FY 1998		FY 1999	
	<u>Budget</u>	<u>Appropriated</u>	<u>Current</u>	<u>Current</u>
<u>Actual</u>	<u>Request</u>	<u>Estimate</u>	<u>Estimate</u>	
Initial Skills Training (Enlisted)	31,837	30,698	30,698	29,281
Skill Progression Training (Enlisted)	9,736	14,785	14,785	14,096
Initial Skill Training (Officer)	5,243	5,920	5,920	5,648
Skill Progression Training (Officer)	10,638	16,208	16,208	15,453
Functional Training (Officer and Enlisted)	30,903	37,976	37,976	36,230
Total	88,357	105,587	105,587	100,708
				102,534

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	Change FY 1998 / FY 1999	Change FY 1998 / FY 1999
Baseline Funding	105,587	100,708
Congressional Adjustments	0	0
Supplemental Request	0	1,923
Price Change	0	0
Functional Transfer	0	-97
Program Changes	-4,879	
Current Estimate	100,708	102,534

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request
\$105,587
2. FY 1998 Appropriated
\$105,587
3. Program Decreases
-\$4,879
4. FY 1998 Current Estimate
\$100,708

a. Lower than anticipated prior year execution occurred.
-4,879

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

5. Price Growth	\$1,923
6. Program Increase – Commercial Activities	\$+3,000
a. Provides seed money to conduct A-76 review mandated by Quadrennial Defense Review.	+3,000
7. Program Decreases	-\$3,097
a. Decrease in training workload.	-3,097
8. FY 1999 Current Estimate	\$102,534

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

IV. Performance Criteria and Evaluation: Education and Training - Specialized Skills - Workload Indicator

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Initial Skills Training (Enlisted)	20,175	17,235	16,252
Skill Progression Training (Enlisted)	7,591	9,660	10,458
Initial Skill Training (Officer)	5,074	6,337	6,268
Skill Progression Training (Officer)	10,570	13,306	14,174
Functional Training (Officer and Enlisted)	9,254	8,445	5,569
Total	52,664	54,983	52,721

Performance Criteria and Evaluation: Education and Training - Specialized Skills - Student Load Summary

	<u>FY 1997</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1999</u>	<u>FY 1999</u>
	<u>Entrants</u>	<u>Grads</u>	<u>Entrants</u>	<u>Grads</u>	<u>Loads</u>	<u>Entrants</u>	<u>Grads</u>
Initial Skills Training (Enlisted)	21,816	18,920	5,373	21,041	19,311	4,594	19,319
Skill Progression Training (Enlisted)	10,341	9,889	2,491	14,044	13,345	2,461	14,775
Initial Skill Training (Officer)	5,074	4,542	719	6,337	6,251	661	6,268
Skill Progression Training (Officer)	10,793	11,406	1,351	13,677	13,601	1,594	14,550
Functional Training (Officer and Enlisted)	56,794	53,988	896	129,086	128,455	666	126,210
Total	104,818	98,745	10,830	184,185	180,963	9,976	181,122

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

V. Personnel Summary:

<u>Active Military End Strength</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY1998/1999</u>
Officer	4,300	4,332	4,408	76
Enlisted	<u>4,449</u>	<u>4,679</u>	<u>4,259</u>	-420
Total Military End Strength	8,749	9,011	8,667	-344
 <u>Civilian End Strength</u>				
U.S. Direct Hire	522	503	502	-1
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	522	503	502	-1
Foreign National Indirect Hire	4	5	5	0
Total Civilian End Strength	526	508	507	-1
 <u>Military Workyears</u>				
Officer	4,251	4,316	4,370	54
Enlisted	<u>4,410</u>	<u>4,564</u>	<u>4,469</u>	-95
Total	8,661	8,880	8,839	-41
 <u>Civilian Workyears (Total)</u>				
U.S. Direct Hire	519	507	493	-14
Foreign National Direct Hire	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Direct Hire	519	507	493	-14
Foreign National Indirect Hire	4	5	5	0
Total Civilian Workyears	523	512	498	-14

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP Education & Training - S Skills						
634 Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	68	0	0.30	0	10	78
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	44	0	-11.00	-5	12	51
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	1,551	0		-55	288	1784
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	77	0	1.50	1	11	89
799 Total Transportation	77	0		1	11	89
9XX Civ Pay Reimburs Host	21,785	0	2.20	479	142	22406
901 Foreign Nat Ind Hire	119	0	2.20	3	63	185
902 Separation Liability	339	0	2.20	7	-45	300
912 Rental Pay to GSA	40	0	0.00	0	6	47
913 Purchased Utilities	5	0	1.50	0	1	5
914 Purchased Communica	7	0	1.50	0	1	8
915 Rents non GSA	74	0	1.50	1	10	86
917 Postal Svcs	225	0	0.00	0	34	259
920 Supplies & Mat	3,744	0	1.50	56	506	4306
921 Printing & Reproduct	406	0	1.50	6	55	467

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE DHP Education & Training - S Skills						
922	Eqipt Maint Contract	901	0	1.50	14	121
923	Facility Maint Contract	149	0	1.50	2	20
925	Eqipt Purchases	2,140	0	1.50	32	289
926	Overseas Purchases	66	0	1.50	1	9
930	Other Depot Maint	50	0	1.50	1	7
931	Contract Consultants	984	0	1.50	15	133
932	Mgmt & Prof Spt Svc	300	0	1.50	5	40
933	Studies Analysis Eval	0	0	1.50	0	0
934	Engineering Tech Svc	0	0	1.50	0	0
937	Fuel	6	0	1.50	0	1
988	Grants	0	0	1.50	0	0
989	Other Contracts	23,779	0	1.50	356	4987
998	Other Costs*	9,231	0	1.50	138	1249
999	Total Purchases	64,349	0		1116	7628
9999	TOTAL	88,357	0		1633	10718
						100708

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - S Skills						
308 Travel of Persons	20957	0	1.60	335	900	22192
399 Total Travel	20957	0		335	900	22192
401 DFSC Fuel	3	0	-8.80	0	0	3
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	357	0	-5.80	-21	42	378
414 AF Sup & Mat	12	0	0.40	0	1	13
415 DLA Sup & Mat	217	0	-1.00	-2	15	229
416 GSA Sup & Mat	225	0	1.60	4	9	238
417 Local Proc Sup & Mat	2780	0	1.60	44	120	2943
499 Total Sup & Mat	3593	0		25	187	3805
502 Army Fund Equip	0	0	7.60	0	0	0
503 Navy Fund Equip	284	0	-5.80	-16	33	301
505 AF Fund Equip	609	0	0.40	2	34	645
506 DLA Fund Equip	5	0	-1.00	0	0	6
507 GSA Fund Equip	294	0	1.60	5	12	311
599 Total Fund Equip	1192	0		-9	79	1263
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	83	0	-11.40	-9	14	88
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	3	0	4.90	0	0	3
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prnt Svc	1569	0	5.70	89	3	1661

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - S Skills						
634	Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	78	0	-1.40	-1	6
637	Naval Shipyards	0	0	-12.10	0	0
653	Airlift Svcs Trng & Ops	0	0	3.70	0	0
671	Communications Svc	51	0	-0.60	0	3
673	Def Finance & Acct Svc	0	0	3.70	0	0
679	Cost Reimbursible Svc	0	0	1.60	0	0
699	Total Purchases	1784	0	79	26	1889
701	MAC Cargo	0	0	7.00	0	0
702	MAC SAAM	0	0	-0.90	0	0
711	MSC Cargo	0	0	-24.80	0	0
721	MTMC Port Handling	0	0	-30.80	0	0
725	MTMC Other	0	0	0.00	0	0
771	Commercial Transportation	89	0	1.60	1	4
799	Total Transportation	89	0	1	4	94
9XX	Civ Pay Reimburs Host	22406	0	3.03	679	-614
901	Foreign Nat Ind Hire	185	0	3.03	6	-12
902	Separation Liability	300	0	3.03	9	-70
912	Rental Pay to GSA	47	0	0.00	0	3
913	Purchased Utilities	5	0	1.60	0	0
914	Purchased Communica	8	0	1.60	0	0
915	Rents non GSA	86	0	1.60	1	4
917	Postal Svcs	259	0	0.00	0	15
920	Supplies & Mat	4306	0	1.60	69	185
921	Printing & Reproduct	467	0	1.60	7	20

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1999 Program Growth	FY1999 Program
LINE DHP Education & Training - S Skills						
922 Equipt Maint Contract	1036	0	1.60	17	44	1097
923 Facility Maint Contract	171	0	1.60	3	7	181
925 Equipt Purchases	2461	0	1.60	39	106	2606
926 Overseas Purchases	76	0	1.60	1	3	80
930 Other Depot Maint	58	0	1.60	1	2	61
931 Contract Consultants	1132	0	1.60	18	49	1199
932 Mgmt & Prof Spt Svc	345	0	1.60	6	14	366
933 Studies Analysis Eval	0	0	1.60	0	0	0
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	7	0	1.60	0	0	7
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	29122	0	1.60	466	-1508	28080
998 Other Costs*	10617	0	1.60	170	456	11243
999 Total Purchases	73093	0		1492	-1293	73292
9999 TOTAL	100708	0		1923	-97	102534

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: Education and Training - Professional Development

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training for active duty personnel and students. This program provides career officer and enlisted medical personnel with training and education to prepare them to perform increasingly complex responsibilities as they progress in their military careers. This program provides education and training in such areas as leadership, graduate medical education, and continuing medical education. This program includes Enlisted Leadership Training, Fully Funded - Full Time Graduate Education, and Health Professions Education.

II. Force Structure Summary: Education and Training - Professional Development resources provides education and training for career officer and enlisted medical personnel in broad professional development areas. The total training loads in the Professional Development program have been reduced to reflect DoD declining medical force levels.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Education and Training - Professional Development

	FY 1998			FY 1999 Current Estimate
	Budget Request	Appropriated	Current Estimate	
Enlisted Leadership Training	1,470	1,815	1,815	1,730
Graduate Education, Fully Funded, Full Time	21,109	24,369	24,369	23,244
Health Professions Education	32,745	31,778	31,778	30,318
Total	55,324	57,962	57,962	55,027

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	Change FY 1998 / FY 1999	Change FY 1998 / FY 1999
Baseline Funding	57,962	55,292
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	1,058
Functional Transfer	0	0
Program Changes	-2,670	-1,323
Current Estimate	55,292	55,027

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request \$57,962
2. FY 1998 Appropriated \$57,962
3. Program Decreases -\$2,670
- a. Lower than anticipated prior year execution occurred. -2,670
5. FY 1998 Current Estimate \$55,292

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

6. Price Growth	\$1,058
7. Program Decreases	-\$1,323
a. Capitation adjustment to resource levels to reflect decrease in active duty end strength in FY 1999.	-1,323
9. FY 1999 Current Estimate	\$55,027

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

IV. Performance Criteria and Evaluation: Education and Training - Professional Development - Workload Indicator

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Enlisted Leadership Training	1,125	1,041	1,041
Graduate Education, Fully Funded, Full Time	1,873	1,904	1,884
Health Professions Education	5,819	5,040	5,040
 Total	 8,817	 7,985	 7,965

Performance Criteria and Evaluation: Education and Training - Professional Development - Student Load Summary

	<u>FY 1997</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1999</u>	<u>FY 1999</u>
	<u>Grads</u>	<u>Loads</u>	<u>Entrants</u>	<u>Grads</u>	<u>Loads</u>	<u>Entrants</u>	<u>Grads</u>
Enlisted Leadership Training	1,125	1,018	72	1,041	958	67	1,041
Graduate Education, Fully Funded, Full Time	2,317	2,165	3,240	2,281	2,229	3,436	2,189
Health Professions Education	6,068	6,021	815	5,236	5,198	435	5,215
 Total	 9,510	 9,204	 4,127	 8,558	 8,385	 3,938	 8,445
							 3,937

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

V. Personnel Summary:

<u>Active Military End Strength</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY1998/1999</u>
Officer	2,693	2,378	2,365	-13
Enlisted	<u>2,785</u>	<u>2,569</u>	<u>2,286</u>	-283
Total Military End Strength	5,478	4,947	4,651	-296
 <u>Civilian End Strength</u>				
U.S. Direct Hire	307	276	270	-6
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	307	276	270	-6
Foreign National Indirect Hire	3	2	2	0
Total Civilian End Strength	310	278	272	-6
 <u>Military Workyears</u>				
Officer	2,690	2,536	2,372	-164
Enlisted	<u>2,790</u>	<u>2,677</u>	<u>2,428</u>	-249
Total	5,480	5,213	4,799	-413
 <u>Civilian Workyears (Total)</u>				
U.S. Direct Hire	305	278	264	-14
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	305	278	264	-14
Foreign National Indirect Hire	2	2	2	0
Total Civilian Workyears	307	280	266	-14

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINEDHP Education & Training - Prof Development						
308 Travel of Persons	10730	0	1.50	161	615	11506
399 Total Travel	10730	0		161	615	11506
401 DFSC Fuel	2	0	19.70	0	0	2
402 Service Fund Fuel	0	0	19.70	0	0	0
411 Army Sup & Mat	0	0	2.30	0	0	0
412 Navy Sup & Mat	183	0	26.30	48	-35	196
414 AF Sup & Mat	6	0	19.30	1	-1	7
415 DLA Sup & Mat	111	0	1.60	2	6	119
416 GSA Sup & Mat	115	0	1.50	2	6	123
417 Local Proc Sup & Mat	1423	0	1.50	21	82	1526
499 Total Sup & Mat	1840	0		74	59	1973
502 Army Fund Equip	0	0	2.30	0	0	0
503 Navy Fund Equip	146	0	26.30	38	-27	156
505 AF Fund Equip	312	0	19.30	60	-37	335
506 DLA Fund Equip	3	0	1.60	0	0	3
507 GSA Fund Equip	150	0	1.50	2	9	161
599 Total Fund Equip	611	0		100	-56	655
602 Army Depot Cmd Maint	0	0	4.00	0	0	0
611 Naval Surface War Ctr	0	0	8.10	0	0	0
615 Data Automat Ctr Navy	43	0	6.80	3	0	46
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	2	0	-0.10	0	0	2
631 Naval Civil Engnr Ctr	0	0	2.10	0	0	0
633 Naval Pub & Prnt Svc	803	0	-4.00	-32	90	861

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP Education & Training - Prof Development						
634 Nav Pub Wrks Ctr. Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr. Pub Wrks	40	0	0.30	0	3	43
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	26	0	-11.00	-3	5	28
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	913	0	-32	98	979	
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	45	0	1.50	1	2	49
799 Total Transportation	45	0	1	2	2	49
9XX Civ Pay Reimburs Host	12802	0	2.20	282	-798	12286
901 Foreign Nat Ind Hire	59	0	2.20	1	14	74
902 Separation Liability	200	0	2.20	5	-40	165
912 Rental Pay to GSA	24	0	0.00	0	2	26
913 Purchased Utilities	3	0	1.50	0	0	3
914 Purchased Communica	4	0	1.50	0	0	4
915 Rents non GSA	44	0	1.50	1	2	47
917 Postal Svcs	133	0	0.00	0	10	142
920 Supplies & Mat	2205	0	1.50	33	126	2364
921 Printing & Reproduct	239	0	1.50	4	13	256

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP Education & Training - Prof Development						
922 Equipt Maint Contract	530	0	1.50	8	30	569
923 Facility Maint Contract	88	0	1.50	1	5	94
925 Equipt Purchases	1260	0	1.50	19	72	1351
926 Overseas Purchases	39	0	1.50	1	2	41
930 Other Depot Maint	30	0	1.50	0	2	32
931 Contract Consultants	580	0	1.50	9	33	621
932 Mgmt & Prof Spt Svc	177	0	1.50	3	10	190
933 Studies Analysis Eval	0	0	1.50	0	0	0
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	4	0	1.50	0	0	4
988 Grants	0	0	1.50	0	0	0
989 Other Contracts	17332	0	1.50	260	-1560	16032
998 Other Costs*	5436	0	1.50	82	311	5829
999 Total Purchases	41185	0		709	-1764	40131
9999 TOTAL	55324	0		1013	-1045	55292

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1999 Program	Program Growth	FY1999 Program
LINE DHP Education & Training - Prof Development							
308 Travel of Persons	11506	0	1.60	184	220	220	11910
399 Total Travel	11506	0		184	220		11910
401 DFSC Fuel	2	0	-8.80	0	0	0	2
402 Service Fund Fuel	0	0	-8.80	0	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0	0
412 Navy Sup & Mat	196	0	-5.80	-11	18	18	203
414 AF Sup & Mat	7	0	0.40	0	0	0	7
415 DLA Sup & Mat	119	0	-1.00	-1	5	5	123
416 GSA Sup & Mat	123	0	1.60	2	2	2	128
417 Local Proc Sup & Mat	1526	0	1.60	24	30	30	1580
499 Total Sup & Mat	1973	0		14	55		2042
502 Army Fund Equip	0	0	7.60	0	0	0	0
503 Navy Fund Equip	156	0	-5.80	-9	14	14	162
505 AF Fund Equip	335	0	0.40	1	1	1	346
506 DLA Fund Equip	3	0	-1.00	0	0	0	3
507 GSA Fund Equip	161	0	1.60	3	3	3	167
599 Total Fund Equip	655	0		-5	28		678
602 Army Depot Cmd Maint	0	0	12.70	0	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0	0
615 Data Automat Ctr Navy	46	0	-11.40	-5	7	7	47
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0	0
630 Naval Rsch Lab	2	0	4.90	0	0	0	2
631 Naval Civil Engr Ctr	0	0	-0.60	0	0	0	0
633 Naval Pub & Prnt Svc	861	0	5.70	49	-19		892

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - Prof Development						
634 Nav Pub Wrks Cr: Utilities	0	0	-9.30	0	0	0
635 Nav Pub Wrks Cr: Pub Wrks	43	0	-1.40	-1	3	44
637 Naval Shipyards	0	0	-12.10	0	0	0
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	28	0	-0.60	0	1	29
673 Def Finance & Acct Svc	0	0	3.70	0	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	979	0		43	-9	1014
701 MAC Cargo	0	0	7.00	0	0	0
702 MAC SAAM	0	0	-0.90	0	0	0
711 MSC Cargo	0	0	-24.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	49	0	1.60	1	1	50
799 Total Transportation	49	0		1	1	50
9XX Civ Pay Reimburs Host	12286	0	3.03	372	-625	12033
901 Foreign Nat Ind Hire	74	0	3.03	3	-5	71
902 Separation Liability	165	0	3.03	5	-42	129
912 Rental Pay to GSA	26	0	0.00	0	1	26
913 Purchased Utilities	3	0	1.60	0	0	3
914 Purchased Communica	4	0	1.60	0	0	4
915 Rents non GSA	47	0	1.60	1	1	49
917 Postal Svcs	142	0	0.00	0	5	147
920 Supplies & Mat	2364	0	1.60	38	45	2447
921 Printing & Reproduct	256	0	1.60	4	5	265

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - Prof Development						
922 Equip Maint Contract	569	0	1.60	9	11	589
923 Facility Maint Contract	94	0	1.60	2	1	97
925 Equip Purchases	1351	0	1.60	22	25	1399
926 Overseas Purchases	41	0	1.60	1	0	43
930 Other Depot Maint	32	0	1.60	1	0	33
931 Contract Consultants	621	0	1.60	10	12	643
932 Mgmt & Prof Spt Svc	190	0	1.60	3	4	196
933 Studies Analysis Eval	0	0	1.60	0	0	0
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	4	0	1.60	0	0	4
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	16032	0	1.60	257	-1169	15120
998 Other Costs*	5829	0	1.60	93	112	6034
999 Total Purchases	40131	0		821	-1618	39333
9999 TOTAL	55292	0		1058	-1323	55027

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: Education and Training - Officer Acquisition

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training for active duty medical personnel and students. This program includes the Armed Forces Health Professions Scholarship Program (AFHPSP), the Financial Assistance Program (FAP) residencies, and other precommissioning professional scholarship programs. This program includes manpower authorizations, equipment, and associated costs specifically identified and measurable to the conduct of officer acquisition.

II. Force Structure Summary: Education and Training - Officer Acquisition resources provide tuition and other educational expenses for HPSP/FAP participants in accredited medical, dental, nursing, and certain allied health programs. The purpose of the Officer Acquisition program is to obtain adequate numbers of commissioned officers on active duty who are qualified in designated health professions.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Education and Training - Officer Acquisition

	<u>FY 1997 Actual</u>	<u>Budget Request</u>	<u>FY 1998</u>		<u>FY 1999 Current Estimate</u>
			<u>Appropriated</u>	<u>Current Estimate</u>	
Health Professions Scholarship Programs	71,925	81,359	81,359	81,359	80,775
Financial Assistance Programs	3,464	4,264	4,264	4,264	4,184
Total	75,389	85,623	85,623	85,623	84,959

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 1998 / FY 1998</u>	<u>Change</u> <u>FY 1998 / FY 1999</u>
Baseline Funding		
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	4,623
Functional Transfer	0	-3,700
Program Changes	0	-1,587
Current Estimate	85,623	84,959

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request
\$85,623
2. FY 1998 Appropriated
\$85,623
3. Program Changes
0
4. FY 1998 Current Estimate
\$85,623
5. Price Growth
\$ 4,623

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

6. Functional Transfer		-\$3,700
a. Army Reserve Personnel		
Transfer of resources from Defense Health Program to the Army to fund an additional 226 HPSP slots for Reserve dental students.		-\$3,700
7. Program Decreases		-\$ 1,587
a. Less expensive sources to be used in FY 1999.		
8. FY 1999 Current Estimate		\$84,959

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

IV. Performance Criteria and Evaluation: Education and Training - Officer Acquisition - Workload Indicator

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>
Scholarship Programs	2,328	2,502	2,570
Financial Assistance Programs	200	240	240
Total	2,528	2,742	2,810

Performance Criteria and Evaluation: Education and Training - Officer Acquisition - Student Load Summary

	<u>FY 1997</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1998</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1999</u>	<u>FY 1999</u>
	<u>Entrants</u>	<u>Grads</u>	<u>Entrants</u>	<u>Grads</u>	<u>Loads</u>	<u>Entrants</u>	<u>Grads</u>	<u>Loads</u>
Scholarship Programs	1,529	1,483	2,470	1,715	1,566	2,649	1,650	2,726
Financial Assistance Programs	190	194	325	233	243	364	241	375
Total	1,719	1,677	2,795	1,948	1,809	3,013	1,891	3,101

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

IV. Performance Criteria and Evaluation: Education and Training - Officer Acquisition - HPSP/FAP Summary

Specialty	FY 1997	FY 1998	FY 1999
Medical			
HPSP	3,016	3,019	2,969
FAP	272	295	275
Dental			
HPSP	454	677	794
FAP	23	45	45
Nurse			
HPSP	27	33	33
FAP	0	0	0
Allied Health			
HPSP	107	119	129
FAP	0	0	9
Total			
HPSP	3,604	3,848	3,925
FAP	295	340	329

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

V. Personnel Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY1998/1999</u>
Active Military End Strength				
Officer	0	0	0	0
Enlisted	0	0	0	0
Total Military End Strength	0	0	0	0
Civilian End Strength				
U.S. Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian End Strength	0	0	0	0
Military Workyears				
Officer	0	0	0	0
Enlisted	0	0	0	0
Total	0	0	0	0
Civilian Workyears (Total)				
U.S. Direct Hire	0	0	0	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	0	0	0	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian Workyears	0	0	0	0

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	Price Program Growth	FY1998 Program
LINE DHP Education & Training - Officer Acquisition							
308 Travel of Persons	16951	0	1.50	254	576	576	17781
399 Total Travel	16951	0		254	576	576	17781
401 DFSC Fuel	2	0	19.70	0	0	0	3
402 Service Fund Fuel	0	0	19.70	0	0	0	0
411 Army Sup & Mat	0	0	2.30	0	0	0	0
412 Navy Sup & Mat	289	0	26.30	76	-62	-62	303
414 AF Sup & Mat	10	0	19.30	2	-2	-2	10
415 DLA Sup & Mat	175	0	1.60	3	6	6	184
416 GSA Sup & Mat	182	0	1.50	3	6	6	191
417 Local Proc Sup & Mat	2248	0	1.50	34	76	76	2358
499 Total Sup & Mat	2906	0		118	24	24	3048
502 Army Fund Equip	0	0	2.30	0	0	0	0
503 Navy Fund Equip	230	0	26.30	60	-49	-49	241
505 AF Fund Equip	493	0	19.30	95	-71	-71	517
506 DLA Fund Equip	4	0	1.60	0	0	0	4
507 GSA Fund Equip	237	0	1.50	4	8	8	249
599 Total Fund Equip	965	0		159	-112	-112	1012
602 Army Depot Cmd Maint	0	0	4.00	0	0	0	0
611 Naval Surface War Ctr	0	0	8.10	0	0	0	0
615 Data Automat Ctr Navy	67	0	6.80	5	-2	-2	70
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0	0
630 Naval Rsch Lab	2	0	-0.10	0	0	0	3
631 Naval Civil Engr Ctr	0	0	2.10	0	0	0	0
633 Naval Pub & Prnt Svc	1269	0	-4.00	-51	113	113	1331

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE DHP Education & Training - Officer Acquisition						
634	Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	63	0	0.30	0	3
637	Naval Shipyards	0	0	19.60	0	0
653	Airlift Svcs Trng & Ops	0	0	19.80	0	0
671	Communications Svc	41	0	-11.00	-4	6
673	Def Finance & Act Svc	0	0	-12.60	0	0
679	Cost Reimbursible Svc	0	0	1.50	0	0
699	Total Purchases	1443	0	-50	121	1514
701	MAC Cargo	0	0	5.00	0	0
702	MAC SAAM	0	0	17.80	0	0
711	MSC Cargo	0	0	9.30	0	0
721	MTMC Port Handling	0	0	5.70	0	0
725	MTMC Other	0	0	-7.90	0	0
771	Commercial Transportation	72	0	1.50	1	3
799	Total Transportation	72	0	1	3	75
9XX	Civ Pay Reimburs Host	-0	0	2.20	0	0
901	Foreign Nat Ind Hire	-0	0	2.20	0	-0
902	Separation Liability	183	0	2.20	4	5
912	Rental Pay to GSA	38	0	0.00	0	2
913	Purchased Utilities	4	0	1.50	0	0
914	Purchased Communica	6	0	1.50	0	0
915	Rents non GSA	69	0	1.50	1	2
917	Postal Svcs	209	0	0.00	0	10
920	Supplies & Mat	3483	0	1.50	52	119
921	Printing & Reproduct	377	0	1.50	6	12

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE DHP Education & Training - Officer Acquisition	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1998 Program Growth	FY1998 Program
922 Equip Maint Contract	838	0	1.50	13	28	879
923 Facility Maint Contract	138	0	1.50	2	5	145
925 Equip Purchases	1991	0	1.50	30	67	2088
926 Overseas Purchases	61	0	1.50	1	2	64
930 Other Depot Maint	47	0	1.50	1	1	49
931 Contract Consultants	916	0	1.50	14	31	960
932 Mgmt & Prof Spt Svc	279	0	1.50	4	10	293
933 Studies Analysis Eval	0	0	1.50	0	0	0
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	6	0	1.50	0	0	6
988 Grants	0	0	1.50	0	0	0
989 Other Contracts	35818	0	9.00	3224	5072	44115
998 Other Costs*	8588	0	1.50	129	292	9008
999 Total Purchases	53052	0		3481	5659	62193
9999 TOTAL	75389	0		3963	6271	85623

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - Officer Acquisition						
308 Travel of Persons	17781	0	1.60	285	1520	19586
399 Total Travel	17781	0		285	1520	19586
401 DFSC Fuel	3	0	-8.80	0	0	3
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	303	0	-5.80	-18	49	333
414 AF Sup & Mat	10	0	0.40	0	1	11
415 DLA Sup & Mat	184	0	-1.00	-2	21	202
416 GSA Sup & Mat	191	0	1.60	3	16	210
417 Local Proc Sup & Mat	2358	0	1.60	38	201	2598
499 Total Sup & Mat	3048	0		21	288	3358
502 Army Fund Equip	0	0	7.60	0	0	0
503 Navy Fund Equip	241	0	-5.80	-14	38	266
505 AF Fund Equip	517	0	0.40	2	50	570
506 DLA Fund Equip	4	0	-1.00	0	0	5
507 GSA Fund Equip	249	0	1.60	4	21	274
599 Total Fund Equip	1012	0		-8	111	1114
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	70	0	-11.40	-8	15	78
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	3	0	4.90	0	0	3
631 Naval Civil Engrn Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prnt Svc	1331	0	5.70	76	59	1466

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - Officer Acquisition						
634 Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	66	0	-1.40	-1	8	73
637 Naval Shipyards	0	0	-12.10	0	0	0
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	43	0	-0.60	0	4	47
673 Def Finance & Acct Svc	0	0	3.70	0	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	1514	0		67	87	1667
701 MAC Cargo	0	0	7.00	0	0	0
702 MAC SAAM	0	0	-0.90	0	0	0
711 MSC Cargo	0	0	-24.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	75	0	1.60	1	7	83
799 Total Transportation	75	0		1	7	83
9XX Civ Pay Reimburs Host	-0	0	3.03	0	-0	-0
901 Foreign Nat Ind Hire	-0	0	3.03	0	0	0
902 Separation Liability	192	0	3.03	6	13	211
912 Rental Pay to GSA	40	0	0.00	0	4	44
913 Purchased Utilities	4	0	1.60	0	0	5
914 Purchased Communica	7	0	1.60	0	1	7
915 Rents non GSA	73	0	1.60	1	6	80
917 Postal Svcs	220	0	0.00	0	22	242
920 Supplies & Mat	3654	0	1.60	58	313	4025
921 Printing & Reproduct	396	0	1.60	6	34	436

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP Education & Training - Officer Acquisition						
922	Eqipt Maint Contract	879	0	1.60	14	968
923	Facility Maint Contract	145	0	1.60	2	160
925	Eqipt Purchases	2088	0	1.60	33	2300
926	Overseas Purchases	64	0	1.60	1	71
930	Other Depot Maint	49	0	1.60	1	54
931	Contract Consultants	960	0	1.60	15	1058
932	Mgmt & Prof Spt Svc	293	0	1.60	5	323
933	Studies Analysis Eval	0	0	1.60	0	0
934	Engineering Tech Svc	0	0	1.60	0	0
937	Fuel	6	0	1.60	0	1
988	Grants	0	0	1.60	0	0
989	Other Contracts	44115	0	9.00	3971	-8848
998	Other Costs*	9008	0	1.60	144	770
999	Total Purchases	62193	0		4257	-7299
	9999 TOTAL	85623	0		4623	-5287
						84959

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

Detail By Sub-Activity Group: Uniformed Services University of the Health Sciences (USUHS)

I. Narrative Description: This Sub-activity Group provides for the education of military physicians and graduate education programs leading to masters or doctoral degrees in the biological sciences. The mission is to provide high quality, career dedicated military and Public Health Service physicians.

II. Description of Operations Financed: The Uniformed Services University of the Health Sciences provides for undergraduate medical teaching operations, as well as a limited basic sciences program which is necessary to meet needed teaching requirements and provide graduate education to qualified military personnel assigned to the University for masters and doctoral programs in the biological sciences.

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Uniformed Services University of the Health Sciences

	FY 1999			FY 1999	
	<u>FY 1997 Actual</u>	<u>Budget Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>Current Estimate</u>
USUHS	74,463	51,314	70,314	70,314	55,760
Total	74,463	51,314	70,314	70,314	55,760

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 1998 / FY 1999</u>	<u>Change</u> <u>FY 1998 / FY 1999</u>
Baseline Funding		
Congressional Adjustments	51,314	70,314
Supplemental Request	19,000	0
Price Change	0	+1,212
Functional Transfer	0	0
Program Changes	0	-15,766
Current Estimate	70,314	55,760

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation Summary: Increases and Decreases

1. FY 1998 Budget Request \$51,314
2. Congressional Adjustments +19,000
3. USUHS
 - a. Head Injury + 1,000
 - b. Military Nursing Research + 5,000\$70,314

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

4.	1998 Current Estimate		\$70,314
5.	Price Growth		+\$1,212
6.	Program Decreases		
	a. Reverse FY 1998 One-Time Congressional Increases	-19,304	
	USUHS	-13,208	
	Head Injury	- 1,016	
	Military Nursing Research	- 5,080	
	Total Program Decrease		-\$19,304
7.	Program Increases		
	a. Increase in utilities usage due to cancellation of phased closure.	+\$1,413	
	b. Increase in supplies usage due to cancellation of phased closure.	+\$ 917	
	c. Increase in other contracts due to cancellation of phased closure.	+\$ 696	
	d. Increase in DFAS accounting costs due to cancellation of phased closure.	+\$ 259	
	e. Increase in communications services due to cancellation of phased closure.	+\$ 253	
	Total Program Increases		+\$3,538
8.	FY 1999 Current Estimate		\$55,760

DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE

IV. Performance Criteria and Evaluation: Uniformed Services University of the Health Sciences - Workload Indicator

	<u>FY 1997</u>			<u>FY 1998</u>			<u>FY 1999</u>		
	Grads	Loads	Entrants	Grads	Loads	Entrants	Grads	Loads	Entrants
USUHS	102	635	36	101	639	36	104	637	

Performance Criteria and Evaluation: Uniformed Services University of the Health Sciences - Training Load Summary

	<u>FY 1997</u>			<u>FY 1998</u>			<u>FY 1999</u>		
	Grads	Loads	Entrants	Grads	Loads	Entrants	Grads	Loads	Entrants
USUHS	164	665	165	163	667	165	170	662	

**DEFENSE HEALTH PROGRAM
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE**

V. Personnel Summary:

<u>Active Military End Strength</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY1998/1999</u>
Officer	759	772	777	+5
Enlisted	92	90	90	0
Total Military End Strength	851	862	867	+5
 <u>Civilian End Strength</u>				
U.S. Direct Hire	573	573	573	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	573	573	573	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian End Strength	573	573	573	0
 <u>Military Workyears</u>				
Officer	764	766	775	9
Enlisted	95	91	90	-1
Total	859	857	865	8
 <u>Civilian Workyears (Total)</u>				
U.S. Direct Hire	547	582	582	0
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	547	582	582	0
Foreign National Indirect Hire	0	0	0	0
Total Civilian Workyears	547	582	582	0

(Reimbursable Civilians Included Above - memo)

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE USUHS	FY1997 Program	Foreign Currency Adjust		Price Growth Percent		Price Growth Amount		Program Growth		FY1998 Program	
		1949	1949	0	1.50	29	29	-889	-889	1089	1089
308 Travel of Persons		0	0	0	0	19.70	0	0	0	0	0
399 Total Travel		0	0	0	0	19.70	0	0	0	0	0
401 DFSC Fuel		0	0	0	0	2.30	0	0	0	0	0
402 Service Fund Fuel		0	0	0	0	26.30	0	0	0	0	0
411 Army Sup & Mat		0	0	0	0	19.30	0	0	0	0	0
412 Navy Sup & Mat		0	0	0	0	1.60	3	-66	99	99	99
414 AF Sup & Mat		0	0	0	0	1.50	2	-29	96	96	96
415 DLA Sup & Mat		162	0	0	0	1.50	0	0	0	0	0
416 GSA Sup & Mat		123	0	0	0	1.50	0	0	0	0	0
417 Local Proc Sup & Mat		0	0	0	0	1.50	0	0	0	0	0
499 Total Sup & Mat		285	0	0	0	5	5	-95	195	195	195
502 Army Fund Equip		0	0	0	0	2.30	0	0	0	0	0
503 Navy Fund Equip		0	0	0	0	19.30	0	0	0	0	0
505 AF Fund Equip		0	0	0	0	1.60	0	0	0	0	0
506 DLA Fund Equip		0	0	0	0	1.50	1	-10	25	25	25
507 GSA Fund Equip		34	0	0	0	1	1	-10	25	25	25
599 Total Fund Equip		34	0	0	0	0	0	0	0	0	0
602 Army Depot Cmd Maint		0	0	0	0	4.00	0	0	0	0	0
611 Naval Surface War Ctr		0	0	0	0	8.10	0	0	0	0	0
615 Data Automat Ctr Navy		0	0	0	0	6.80	0	0	0	0	0
620 Fleet Aux Ships Navy		0	0	0	0	1.50	0	0	0	0	0
630 Naval Rsch Lab		0	0	0	0	-0.10	0	0	0	0	0
631 Naval Civil Engnr Ctr		0	0	0	0	2.10	0	0	0	0	0
633 Naval Pub & Prnt Svc		0	0	0	0	-4.00	0	0	0	0	0

USUHS

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Exhibit OP-32

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE USUHS						
634	Nav Pub Wrks Ctr: Utilities	4249	0	-1.00	-42	-858
635	Nav Pub Wrks Ctr: Pub Wrks	6902	0	0.30	21	-6411
637	Naval Shipyards	0	0	19.60	0	512
653	Airlift Svcs Trng & Ops	0	0	19.80	0	0
671	Communications Svc	1108	0	-11.00	-122	850
673	Def Finance & Acct Svc	1278	0	-12.60	-161	900
679	Cost Reimbursible Svc	0	0	1.50	0	0
699	Total Purchases	13537	0	-304	-7622	5611
701	MAC Cargo	0	0	5.00	0	0
702	MAC SAAM	0	0	17.80	0	0
711	MSC Cargo	0	0	9.30	0	0
721	MTMC Port Handling	0	0	5.70	0	0
725	MTMC Other	0	0	-7.90	0	0
771	Commercial Transportation	76	0	1.50	1	45
799	Total Transportation	76	0	1	-32	45
9XX	Civ Pay Reimburs Host	32536	0	2.20	716	-2
901	Foreign Nat Ind Hire	0	0	2.20	0	0
902	Separation Liability	157	0	2.20	3	81
912	Rental Pay to GSA	275	0	0.00	0	275
913	Purchased Utilities	0	0	1.50	0	0
914	Purchased Communica	0	0	1.50	0	0
915	Rents non GSA	0	0	1.50	0	0
917	Postal Svcs	100	0	0.00	0	100
920	Supplies & Mat	3437	0	1.50	52	1938
921	Printing & Reproduct	68	0	1.50	1	68

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE USUHS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1998 Program Growth	FY1998 Program
922 Equip Maint Contract	781	0	1.50	12	394	399
923 Facility Maint Contract	0	0	1.50	0	0	0
925 Equip Purchases	752	0	1.50	11	-511	252
926 Overseas Purchases	0	0	1.50	0	0	0
930 Other Depot Maint	0	0	1.50	0	0	0
931 Contract Consultants	0	0	1.50	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.50	0	0	0
933 Studies Analysis Eval	0	0	1.50	0	0	0
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	0	0	1.50	0	0	0
988 Grants	13409	0	1.50	201	-1610	12000
989 Other Contracts	5733	0	1.50	86	9091	14910
998 Other Costs*	1334	0	1.50	20	-1278	76
999 Total Purchases	58582	0		1102	3665	63349
9999 TOTAL	74463	0		834	-4983	70314

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE USUHS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	FY1999 Program	
					Program Growth	Program Growth
308 Travel of Persons	1089	0	1.60	17	6	1112
399 Total Travel	1089	0		17	6	1112
401 DFSC Fuel	0	0	-8.80	0	0	0
402 Service Fund Fuel	0	0	-8.80	0	0	0
411 Army Sup & Mat	0	0	7.60	0	0	0
412 Navy Sup & Mat	0	0	-5.80	0	0	0
414 AF Sup & Mat	0	0	0.40	0	0	0
415 DLA Sup & Mat	99	0	-1.00	-1	0	98
416 GSA Sup & Mat	96	0	1.60	2	0	98
417 Local Proc Sup & Mat	0	0	1.60	0	0	0
499 Total Sup & Mat	195	0		1	0	196
502 Army Fund Eqipt	0	0	7.60	0	0	0
503 Navy Fund Eqipt	0	0	-5.80	0	0	0
505 AF Fund Eqipt	0	0	0.40	0	0	0
506 DLA Fund Eqipt	0	0	-1.00	0	0	0
507 GSA Fund Eqipt	25	0	1.60	0	1	26
599 Total Fund Eqipt	25	0		0	1	26
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Pint Svc	0	0	5.70	0	0	0

USUHS

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE USUHS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
634 Nav Pub Wrks Ctr. Utilities	3349	0	-9.30	-311	1413	4451
635 Nav Pub Wrks Ctr. Pub Wrks	512	0	-1.40	-7	6	511
637 Naval Shipyards	0	0	-12.10	0	0	0
653 Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671 Communications Svc	850	0	-0.60	-5	253	1098
673 Def Finance & Acct Svc	900	0	3.70	33	259	1192
679 Cost Reimbursible Svc	0	0	1.60	0	0	0
699 Total Purchases	5611	0	-290	-290	1931	7252
701 MAC Cargo	0	0	7.00	0	0	0
702 MAC SAAM	0	0	0.90	0	0	0
711 MSC Cargo	0	0	-19.80	0	0	0
721 MTMC Port Handling	0	0	-30.80	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	45	0	1.60	1	0	46
799 Total Transportation	45	0	1	1	0	46
9XX Civ Pay Reimburs Host	33250	0	3.03	1007	-19	34238
901 Foreign Nat Ind Hire	0	0	3.03	0	0	0
902 Separation Liability	81	0	3.03	2	0	83
912 Rental Pay to GSA	275	0	0.00	0	0	275
913 Purchased Utilities	0	0	1.60	0	0	0
914 Purchased Communica	0	0	1.60	0	0	0
915 Rents non GSA	0	0	1.60	0	0	0
917 Postal Svcs	100	0	0.00	0	0	100
920 Supplies & Mat	1938	0	1.60	31	917	2886
921 Printing & Reproduct	68	0	1.60	1	0	69

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE USUHS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
922 Equip Maint Contract	399	0	1.60	6	407	2
923 Facility Maint Contract	0	0	1.60	0	0	0
925 Equip Purchases	252	0	1.60	4	257	1
926 Overseas Purchases	0	0	1.60	0	0	0
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	0	0	1.60	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.60	0	0	0
933 Studies Analysis Eval	0	0	1.60	0	0	0
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	0	0	1.60	0	0	0
988 Grants	12000	0	1.60	192	-5045	7147
989 Other Contracts	14910	0	1.60	239	-13523	1626
998 Other Costs*	76	0	1.60	1	-37	40
999 Total Purchases	63349	0		1483	-17704	47128
9999 TOTAL	70314	0		1212	-15766	55760

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Management Headquarters

- I. Description of Operations Financed:** This Sub-Activity Group comprises of three management headquarters functions which support delivery of patient care worldwide: Medical Commands, Regional Lead Agents, and TRICARE Management Activities (TMA). TMA includes the resources previously reported in FY97 in (a) Defense Medical Programs Activity (DMPA), and (b) TRICARE Support Office (TSO). The TMA will be responsible, in collaboration and with the support of the Services, for quality, accessible and affordable healthcare for members of the Armed Forces, family members, and others entitled to DoD healthcare.
- II. Force Structure Summary.** **Medical Command Headquarters** includes costs of operating U.S. Army Medical Command, Army Medical Materiel Agency, and the Navy Bureau of Medicine and Surgery. **Regional Lead Agent Headquarters** includes the costs of operating the eleven regional lead agents. The Lead Agent's role and responsibility include coordinating the development and implementation of a regional, joint-service health plan and administering the Managed Care Support (MCS) contracts for all regions. **TRICARE Management Activity (TMA)** is responsible for all resources associated with the management of CHAMPUS benefit payments, and other CHAMPUS related programs such as Family Member Dental Program, Fiscal Intermediary contracts, Continuing Health Education/Capitalization of Assets Program (CHE/CAP), Change Orders resulting from the MSC contracts requirements, Mail Order Pharmacy programs, and the Expanded Cancer Demonstration program. TRICARE Management Activity also develops, maintains, and provides guidance for medical facility military construction projects throughout DoD to meet the wartime and peacetime mission of the MHS. TRICARE Management Activity also oversees and maintains the DoD Unified Medical Program resources for all medical activities.

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Operation and Maintenance

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group: Management Headquarters

	FY 1998		FY 1999	
	<u>Actuals</u>	<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>
Defense Medical Programs Activity	46,682	54,469	54,469	
Medical Commands	32,050	36,802	36,802	36,228
Regional Lead Agents	11,826	12,015	12,015	12,207
TRICARE Support Office	79,457	54,554	54,554	0
TRICARE Management Activity	0	0	0	128,784
Total	\$170,015	\$157,840	157,840	\$173,712
				\$177,219

B. Reconciliation Summary: Management Headquarters

	<u>Change</u>	<u>Change</u>
	<u>FY 1998/1999</u>	<u>FY 1999</u>
Baseline Funding	\$157,840	\$173,712
Congressional Adjustments		
Reprogrammings/Transfers		
Price Change		+3,352
Functional Transfers		+2,600
Program Changes		-2,445
Current Estimate	\$173,712	\$177,219

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

III. Financial Summary (O&M \$ in thousands): (Continued)

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: Management Headquarters

1. FY 1998 President's Budget Request	\$157,840
2. FY 1998 Appropriated	\$157,840
3. Program Increases	\$15,872
a. TRICARE Management Activity (TMA)	
Mail Order Pharmacy - TMA	8,975
National Quality Monitoring Contract - TMA	2,147
Retiree Dental - TMA	2,000
Medical Records Review Info Center - TMA	2,750
4. FY98 Current Estimate	\$173,712
5. Price Growth	\$3,352

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: Management Headquarters (Continued)

6. Functional Transfer	+\$2,600
a. TRICARE Management Activity (TMA)	
Transfer of the Health Care Program management functions and associated resources from OSD(Defense Wide) to the Defense Health Program	+\$2,600
7. Program Decreases	-\$2,445
a. Management Headquarters	
Reduction in Management Headquarters at Medical Commands	-2,445
8. FY99 Current Estimate	\$177,219

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Operation and Maintenance

IV. Performance Criteria and Evaluation Summary: Management Headquarters

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98-99</u>
<u>Total Worldwide User Population (Average Manyears) (1)</u>				
Active Duty (2)	1,607,519	1,576,613	1,542,213	-34,400
Dependents of Active Duty (3)	2,184,797	2,159,670	2,112,241	-47,429
CHAMPUS Eligible Retirees	724,550	719,452	714,591	-4,861
CHAMPUS Eligible Dependents of Retirees	1,236,121	1,223,053	1,210,832	-12,221
Medicare Eligible Beneficiaries	<u>347,707</u>	<u>365,229</u>	<u>380,415</u>	<u>15,186</u>
Total Population	6,100,694	6,044,017	5,960,292	-83,725

(1) Includes reductions from the Quadrennial Defense Review
 (2) Includes Active Guard/Reserve entitled to medical benefit.
 (3) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

V. Personnel Summary: Management Headquarters/1

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98/FY99</u>
Active Military End Strength/1				
Officer	505	523	525	2
Enlisted	<u>125</u>	<u>119</u>	<u>121</u>	<u>2</u>
Total Military	630	642	646	4
Civilian End Strength/1				
U.S. Direct Hire	890	955	928	-27
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	890	955	928	-27
Foreign National Indirect Hire	0	0	0	0
Total Civilians	890	955	928	-27
Active Military Workyears				
Officer	531	514	524	10
Enlisted	<u>128</u>	<u>122</u>	<u>120</u>	<u>-2</u>
Total Military Workyears	659	636	644	8
Civilian Workyears				
U.S. Direct Hire	904	942	915	-27
Foreign National Direct Hire	0	0	0	0
Total Direct Hire	904	942	915	-27
Foreign National Indirect Hire	0	0	0	0
Total Civilian Workyears	904	942	915	-27
(Reimbursable Civilians Included Above - Memo)				
	0	0	0	0

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

OP-5 Part 2 Management Headquarters (Page 6 of 6)

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	MGMTHQTRS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
308	Travel of Persons	3995	0	1.50	61	-559	3497
399	Total Travel	3995	0		61	-559	3497
401	DFSC Fuel	0	0	19.70	0	0	0
402	Service Fund Fuel	0	0	19.70	0	0	0
411	Army Sup & Mat	81	0	2.30	2	-8	75
412	Navy Sup & Mat	0	0	26.30	0	0	0
414	AF Sup & Mat	0	0	19.30	0	0	0
415	DLA Sup & Mat	0	0	1.60	0	0	0
416	GSA Sup & Mat	119	0	1.50	2	-2	119
417	Local Proc Sup & Mat	550	0	1.50	8	-8	550
499	Total Sup & Mat	750	0		12	-18	744
502	Army Fund Equip	0	0	2.30	0	0	0
503	Navy Fund Equip	0	0	26.30	0	0	0
505	AF Fund Equip	0	0	19.30	0	0	0
506	DLA Fund Equip	0	0	1.60	0	0	0
507	GSA Fund Equip	0	0	1.50	0	0	0
599	Total Fund Equip	0	0		0	0	0
602	Army Depot Cmd Maint	0	0	4.00	0	0	0
611	Naval Surface War Ctr	0	0	8.10	0	0	0
615	Data Automat Ctr Navy	0	0	6.80	0	0	0
620	Fleet Aux Ships Navy	0	0	1.50	0	0	0
630	Naval Rsch Lab	0	0	-0.10	0	0	0
631	Naval Civil Engnr Ctr	0	0	2.10	0	0	0
633	Naval Pub & Prnt Svc	0	0	-4.00	0	0	0

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE MGMTHQTRS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
634 Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	0	0	0.30	0	0	0
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	275	0	-11.00	-30	30	275
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	275	0	-30	30	0	275
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	30	0	1.50	0	0	30
799 Total Transportation	30	0	0	0	0	30
9XX Civ Pay Reimburs Host	37945	0	2.20	835	2850	41630
901 Foreign Nat Ind Hire	0	0	2.20	0	0	0
902 Separation Liability	272	0	2.20	6	-143	135
912 Rental Pay to GSA	1711	0	0.00	0	-402	1309
913 Purchased Utilities	5	0	1.50	0	-2	3
914 Purchased Communica	800	0	1.50	12	-657	155
915 Rents non GSA	733	0	1.50	11	-6	738
917 Postal Svcs	829	0	0.00	0	-685	144
920 Supplies & Mat	3037	0	1.50	46	-2550	533
921 Printing & Reproduct	832	0	1.50	12	327	1171

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

<u>LINE</u>	<u>MGMTHQTRS</u>	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
922	Equip Maint Contract	453	0	1.50	7	-340	120
923	Facility Maint Contract	119	0	1.50	2	-121	0
925	Equip Purchases	1062	0	1.50	15	-334	743
926	Overseas Purchases	0	0	1.50	0	0	0
930	Other Depot Maint	0	0	1.50	0	0	0
931	Contract Consultants	0	0	1.50	0	0	0
932	Mgmt & Prof Spt Svc	0	0	1.50	0	0	0
933	Studies Analysis Eval	14910	0	1.50	224	-2926	12208
934	Engineering Tech Svc	0	0	1.50	0	0	0
937	Fuel	0	0	1.50	0	0	0
988	Grants	0	0	1.50	0	0	0
989	Other Contracts	66346	0	1.50	995	42936	110277
998	Other Costs*	35912	0	1.50	539	-36451	0
999	Total Purchases	164965	0		2704	1497	169166
9999	TOTAL	170015	0		2747	950	173712

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE	MGMTHQTRS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
308	Travel of Persons	3497	0	1.60	56	-38	3515
399	Total Travel	3497	0		56	-38	3515
401	DFSC Fuel	0	0	-8.80	0	0	0
402	Service Fund Fuel	0	0	-8.80	0	0	0
411	Army Sup & Mat	75	0	7.60	6	-81	0
412	Navy Sup & Mat	0	0	-5.80	0	0	0
414	AF Sup & Mat	0	0	0.40	0	0	0
415	DLA Sup & Mat	0	0	-1.00	0	0	0
416	GSA Sup & Mat	119	0	1.60	2	0	121
417	Local Proc Sup & Mat	550	0	1.60	9	-9	550
499	Total Sup & Mat	744	0		17	-90	671
502	Army Fund Equip	0	0	7.60	0	0	0
503	Navy Fund Equip	0	0	-5.80	0	0	0
505	AF Fund Equip	0	0	0.40	0	0	0
506	DLA Fund Equip	0	0	-1.00	0	0	0
507	GSA Fund Equip	0	0	1.60	0	0	0
599	Total Fund Equip	0	0		0	0	0
602	Army Depot Cmd Maint	0	0	12.70	0	0	0
611	Naval Surface War Ctr	0	0	1.60	0	0	0
615	Data Automat Ctr Navy	0	0	-11.40	0	0	0
620	Fleet Aux Ships Navy	0	0	1.60	0	0	0
630	Naval Rsch Lab	0	0	4.90	0	0	0
631	Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633	Naval Pub & Prnt Svc	0	0	5.70	0	0	0

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

LINE	MGMTHQTRS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
634	Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0	0
635	Nav Pub Wrks Ctr: Pub Wrks	0	0	-1.40	0	0	0
637	Naval Shipyards	0	0	-12.10	0	0	0
653	Airlift Svcs Trng & Ops	0	0	3.70	0	0	0
671	Communications Svc	275	0	-0.60	-2	2	275
673	Def Finance & Acct Svc	0	0	3.70	0	0	0
679	Cost Reimbursible Svc	0	0	1.60	0	0	0
699	Total Purchases	275	0	-2	2	2	275
701	MAC Cargo	0	0	7.00	0	0	0
702	MAC SAAM	0	0	-0.90	0	0	0
711	MSC Cargo	0	0	-24.80	0	0	0
721	MTMC Port Handling	0	0	-30.80	0	0	0
725	MTMC Other	0	0	0.00	0	0	0
771	Commercial Transportation	30	0	1.60	0	0	30
799	Total Transportation	30	0	0	0	0	30
9XX	Civ Pay Reimburs Host	41630	0	3.03	1261	-1185	41706
901	Foreign Nat Ind Hire	0	0	3.03	0	0	0
902	Separation Liability	135	0	3.03	4	-139	0
912	Rental Pay to GSA	1309	0	0.00	0	665	1974
913	Purchased Utilities	3	0	1.60	0	0	3
914	Purchased Communica	155	0	1.60	2	0	157
915	Rents non GSA	738	0	1.60	12	-3	747
917	Postal Svcs	144	0	0.00	0	0	144
920	Supplies & Mat	533	0	1.60	9	-2	540
921	Printing & Reproduct	1171	0	1.60	19	-514	676

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

LINE MGMT HQTRS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	Price FY1999 Program
922 Equip Maint Contract	120	0	1.60	2	-18	104
923 Facility Maint Contract	0	0	1.60	0	0	0
925 Equip Purchases	743	0	1.60	12	-11	744
926 Overseas Purchases	0	0	1.60	0	0	0
930 Other Depot Maint	0	0	1.60	0	0	0
931 Contract Consultants	0	0	1.60	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.60	0	0	0
933 Studies Analysis Eval	12208	0	1.60	195	-1164	11239
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	0	0	1.60	0	0	0
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	110277	0	1.60	1765	2652	114694
998 Other Costs*	0	0	1.60	0	0	0
999 Total Purchases	169166	0		3281	281	172728
9999 TOTAL	173712	0		3352	155	177219

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Other Health Activities

- I. Description of Operations Financed:** This Sub-Activity Group comprises seven functions which support delivery of patient care worldwide: Other Health Activities, **Military Public/Occupational Health**, Veterinary Services, Examining Activities, **Military Unique Other Medical Activities**, Aeromedical Evacuation System, and **Armed Forces Institute of Pathology (AFIP)**.
- II. Force Structure Summary:** **Other Health Activities** includes central medical laboratories, medical service squadrons, Air Medical Department Field Procurement Offices, Health Services Data Systems Agency, Navy Healthcare Support Offices, and public affairs. **Military Public/Occupational Health** includes *public health* activities such as medical epidemiology and entomology, drinking water safety, monitoring hazardous waste disposal, food/facility sanitation, health promotion, community health nursing, medical intelligence, and *occupational health* activities such as assessment of workplace health hazards, employee health surveys, tracking exposure to physical, chemical, and biological stresses, development of preventive measures, epidemiological studies of occupational diseases, health hazard assessment of new materiel/weapons systems, and medical support to nuclear/biological/chemical surety programs. **Veterinary Services** supports the worldwide DoD veterinary mission and provides support to other specified federal agencies through activities such as care for government owned animals, clinical investigation support, control of zoonotic diseases, and wholesale food inspection. **Examining Activities** provides physical examinations and evaluations of medical suitability for individuals processed for accession to Active and Reserve Components through Military Entrance Processing Stations (MEPS) and DoD Medical Evaluation Review Board (DoDMERB). **Military Unique Requirements - Other Medical** includes a host of activities related to the size of military population, such as physiological training units, Defense Medical Standardization Board, drug abuse detection laboratories, Military Blood Program Agency, optical repair/fabrication laboratories, USAF Armstrong Laboratory, health facilities offices, medical logistics/support offices, Medical Wartime Hospital Integration Office, Army Medical Materiel Activities, plans/operations/training, and Navy Medical Logistics Command. **Aeromedical Evacuation (AE)** includes costs of the aeromedical evacuation system incurred by Joint and Armed Services Medical Regulating Offices, Aeromedical Evacuation and Tanker Airlift Control Centers, AE squadrons and detachments, and aeromedical staging facilities. **Armed Forces Institute of Pathology (AFIP)** is the chief reviewing authority on diagnosis of pathologic tissue for the Armed Services; conducts experimental, statistical and morphological investigation, operates Armed Forces Medical Examiner System and DoD DNA Registry, and administers DoD drug testing quality control/proficiency testing and Clinical Laboratory Improvement programs.

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

III. Financial Summary (O&M \$ in thousands): Other Health Activities

A. Sub-Activity Group: Other Health Activities

	<u>FY 1997 Actuals</u>	<u>FY 1998</u>		<u>FY 1999 Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	
Other Health Activities	316,742	367,627	367,627	354,054
Military Public/Occupational Health	196,616	171,058	171,058	170,271
Veterinary Activities	13,625	12,524	12,524	13,400
Examining Activities	29,013	29,101	29,101	29,101
Military Unique Other Medical Activities	181,249	154,952	272,177	30,857
Aeromedical Evacuation	75,737	79,721	79,721	160,889
Armed Forces Institute of Pathology (AFIP)	<u>42,924</u>	<u>38,724</u>	<u>38,724</u>	79,611
Total	<u>\$855,906</u>	<u>\$853,707</u>	<u>\$970,932</u>	<u><u>39,476</u></u>
				\$855,037
				\$951,835

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

III. Financial Summary (O&M \$ in thousands): Other Health Activities (Continued)

B. Reconciliation Summary: Other Health Activities

	<u>Change</u>	<u>Change</u>
	<u>FY 1998/1998</u>	<u>FY 1998/1999</u>
Baseline Funding		
Congressional Adjustments	\$853,707	\$951,835
Reprogrammings/Transfers	+117,225	
Price Change		+27,227
Functional Transfers		-124,025
Program Changes		
Current Estimate	\$951,835	\$855,037

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: Other Health Activities

1. FY 1998 President's Budget Request
\$853,707

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases: Other Health Activities (continued)

2. Congressional Adjustments

Air Force Neuroscience	+4,900
Diabetes Research	+4,000
Epidermolysis Bullosa	+1,000
Medical Imaging	+3,500
Tissue Engineering	+3,500
HIV	+15,000
Minimal Invasive Research	+13,000
LAB Upgrades	+8,000
Nervous System Studies	+4,500
Gulf War Illness	+4,500
Hepatitis A Vaccine	+17,000
Pacific Island Health Care Program	+5,000
Brown Tree Snakes	+1,000
Cancer Control Program	+8,925
Army Research Institute	+5,400
Disaster Mgmt Training	+5,000
Holloman AF Base	+5,000
Restore Army O&M	+8,000

Total Congressional Adjustments

3. FY98 Appropriated

\$970,932

+\$117,225

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: Other Health Activities (Continued)

4. Program Increases		\$876
a. Veterinary Activities		
Increased requirement for Food Safety Inspection based on results of recent OSHA Inspection	+876	
5. Program Decreases		-\$19,973
a. Other Health Activities & Military Unique		
Active Duty End Strength decreasing faster than anticipated as a result of the Quadrennial Defense Review (QDR)	-7,613	
Program Decrease due to lower than anticipated FY97 Execution (Army)	-4,548	
Deferral of Service initiatives to live within constrained program	-7,812	
6. FY1998 Current Estimate		\$951,835
7. Price Growth		\$27,227
8. Program Increases		\$24,042
a. Military Unique		
Increase medical skills of Air Force Troops	+3,000	

OP-5 Part 2 Other Health Activities (Page 5 of 10)

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance

D. Reconciliation of Increases and Decreases: Other Health Activities (Continued)

8. Program Increases (continued)

b. Restore service initiatives deferred from FY98

+7,812

c. Examining Activities

+640

Increase due to increased accessions at MEPCOM (Army)

+11,891

Program Increase provides for immunization for readiness to personnel with high risk of deployment for Operations in high risk areas

e. Other Health Activities

+699

Force Protection – Increase funding for DoD Surveillance & Response System

-\$148,067

-121,797

9. Program Decreases

Air Force Neuroscience
Diabetes Research
Epidermolysis Bullosa
Medical Imaging

-5,090
-4,155
-1,039
-3,637

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance
D. Reconciliation of Increases and Decreases: Other Health Activities (Continued)

a. Reverse FY 1998 One-Time Congressional Increases (continued)

Tissue Engineering	-3,637
HIV	-15,585
Minimal Invasive Research	-13,507
LAB Upgrades	-8,312
Nervous System Studies	-4,676
Gulf War Illness	-4,676
Hepatitis A Vaccine	-17,663
Pacific Island Health Care Program	-5,195
Brown Tree Snakes	-1,039
Cancer Control Program	-9,273
Army Research Institute	-5,611
Disaster Mgmt Training	-5,195
Holloman AF Base	-5,195
Restore Army O&M	-8,312

b. Other Health Activities, Military Public/Occupation Health, Military Unique
Other Medical Activities

Decrease reflects the reduced level of effort associated with the decreases
in the population supported due to force structure downsizing. -15,100

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: Other Health Activities (Continued)

c. Decrease in Occupational Health Requirements

This reduction reflects a decrease in Occupational Health requirements due to a decline in DoD civilian workforce

d. Management Efficiencies

This reduction reflects management efficiencies in Other Health Activities.

e. Aeromedical Evacuation

This reduction reflects reduced flying hours for the Aeromedical Evacuation Program. The reduced flying hours reflect the DoD Inspector General's recommendations in a 1997 follow-up audit report

10. FY 1999 Budget Request

\$855,037

\$855,037

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Operation and Maintenance

IV. Performance Criteria and Evaluation Summary: Other Health Activities

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change</u> <u>FY98/FY99</u>
Active Duty Population - World Wide (1)	1,607,519	1,576,613	1,542,213	-34,400
Aeromedical Evacuation				
Air Force Flying Hours	20,824	19,548	18,317	-1,231
Army Flying Hours	2,920	3,000	3,000	0
Examining Activities				
MEPS and DoDMERB Workload (Thousands of Medical Exams)	429	424	442	18

(1) Includes estimates of force structure reductions levied by the Quadrennial Defense Review.

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Operation and Maintenance**

V. Personnel Summary - Other Health Activities

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>Change FY98/FY99</u>
<u>Active Military End Strength /1</u>				
Officer	2,696	2,683	2,686	3
Enlisted	<u>7,450</u>	<u>7,635</u>	<u>7,589</u>	<u>-46</u>
Total Military	10,146	10,318	10,275	-43
<u>Civilian End Strength /1</u>				
U.S. Direct Hire	5,984	5,717	5,604	-113
Foreign National Direct Hire	<u>108</u>	<u>92</u>	<u>92</u>	<u>0</u>
Total Direct Hire	6,092	5,809	5,696	-113
Foreign National Indirect Hire	<u>362</u>	<u>401</u>	<u>401</u>	<u>0</u>
Total Civilians	6,454	6,210	6,097	-113
<u>Active Military Workyears</u>				
Officer	2,777	2,690	2,685	-5
Enlisted	<u>7,825</u>	<u>7,543</u>	<u>7,612</u>	<u>69</u>
Total Military Workyears	10,602	10,233	10,297	64
<u>Civilian Workyears</u>				
U.S. Direct Hire	6,227	5,740	5,519	-221
Foreign National Direct Hire	<u>112</u>	<u>92</u>	<u>92</u>	<u>0</u>
Total Direct Hire	6,339	5,832	5,611	-221
Foreign National Indirect Hire	<u>383</u>	<u>397</u>	<u>397</u>	<u>0</u>
Total Civilian Workyears	6,722	6,229	6,008	-221

1/Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE 0TH HLTH ACTIVITIES - DHP						
308 Travel of Persons	38378	0	1.50	575	-444	38509
399 Total Travel	38378	0		575	-444	38509
401 DFSC Fuel	15385	0	19.70	3031	-1753	16663
402 Service Fund Fuel	10	0	19.70	2	0	12
411 Army Sup & Mat	4611	0	2.30	106	-2	4715
412 Navy Sup & Mat	1858	0	26.30	488	-734	1612
414 AF Sup & Mat	375	0	19.30	73	-2	446
415 DLA Sup & Mat	1637	0	1.60	26	-256	1407
416 GSA Sup & Mat	5073	0	1.50	76	-708	4441
417 Local Proc Sup & Mat	26188	10	1.50	394	-8830	17762
499 Total Sup & Mat	55137	10		4196	-12285	47058
502 Army Fund Equip	1947	0	2.30	45	0	1992
503 Navy Fund Equip	51	0	26.30	13	-20	44
505 AF Fund Equip	4926	0	19.30	951	6893	12770
506 DLA Fund Equip	1019	0	1.60	16	-12	1023
507 GSA Fund Equip	949	0	1.50	14	-29	934
599 Total Fund Equip	8892	0		1039	6832	16763
602 Army Depot Cmd Maint	0	0	4.00	0	0	0
611 Naval Surface War Ctr	0	0	8.10	0	0	0
615 Data Automat Ctr Navy	13	0	6.80	1	-3	11
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	0	0	-0.10	0	0	0
631 Naval Civil Engnr Ctr	0	0	2.10	0	0	0
633 Naval Pub & Prnt Svc	644	0	-4.00	-26	-65	553

Other Health Activities

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE 0TH HLTH ACTIVITIES - DHP						
634 Nav Pub Wrks Ctr: Utilities	0	0	-1.00	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	56	0	0.30	0	-8	48
637 Naval Shipyards	9	0	19.60	2	-4	7
653 Airlift Svcs Trng & Ops	17937	0	19.80	3552	0	21489
671 Communications Svc	-236	0	-11.00	26	-31	-241
673 Def Finance & Acct Svc	0	0	-12.60	0	0	0
679 Cost Reimbursible Svc	0	0	1.50	0	0	0
699 Total Purchases	18423	0		3555	-111	21867
701 MAC Cargo	0	0	5.00	0	0	0
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	83	0	-7.90	-7	-5	71
771 Commercial Transportation	2599	0	1.50	40	-230	2409
799 Total Transportation	2682	0		33	-235	2480
9XX Civ Pay Reimburs Host	266073	25	2.20	5855	-14220	257733
901 Foreign Nat Ind Hire	11374	26	2.20	252	3027	14679
902 Separation Liability	1890	0	2.20	41	-1011	920
912 Rental Pay to GSA	2474	0	0.00	0	-93	2381
913 Purchased Utilities	129	4	1.50	2	-25	110
914 Purchased Communica	625	5	1.50	9	-2	637
915 Rents non GSA	1615	3	1.50	23	-13	1628
917 Postal Svcs	127	0	0.00	0	-17	110
920 Supplies & Mat	36775	38	1.50	553	-3556	33810
921 Printing & Reproduct	5593	0	1.50	84	-502	5175

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
LINE 0TH HLTH ACTIVITIES - DHP					
922 Equip Maint Contract	4262	2	1.50	63	-160
923 Facility Maint Contract	83	11	1.50	1	-24
925 Equip Purchases	38974	4	1.50	585	-3207
926 Overseas Purchases	21	0	1.50	0	-3
930 Other Depot Maint	27928	0	1.50	419	-3093
931 Contract Consultants	6	0	1.50	0	-1
932 Mgmt & Prof Spt Svc	9179	0	1.50	138	579
933 Studies Analysis Eval	30416	0	1.50	456	-8271
934 Engineering Tech Svc	0	0	1.50	0	0
937 Fuel	28	0	1.50	0	-2
988 Grants	0	0	1.50	0	0
989 Other Contracts	291106	48	3.40	9902	104805
998 Other Costs*	3716	0	1.50	56	-52
999 Total Purchases	732394	166		18439	74159
9999 TOTAL	855906	176		27837	67916
					951835

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE 0TH HLTH ACTIVITIES - DHP						
308 Travel of Persons	38509	0	1.60	616	252	39377
399 Total Travel	38509	0		616	252	39377
401 DFSC Fuel	16663	0	-8.80	-1467	-652	14544
402 Service Fund Fuel	12	0	-8.80	-1	0	11
411 Army Sup & Mat	4715	0	7.60	358	-702	4371
412 Navy Sup & Mat	1612	0	-5.80	-94	127	1645
414 AF Sup & Mat	446	0	0.40	2	-1	447
415 DLA Sup & Mat	1407	0	-1.00	-14	45	1438
416 GSA Sup & Mat	4441	0	1.60	71	27	4539
417 Local Proc Sup & Mat	17762	0	1.60	283	-751	17294
499 Total Sup & Mat	47058	0		-862	-1907	44289
502 Army Fund Equip	1992	0	7.60	151	-106	2037
503 Navy Fund Equip	44	0	-5.80	-3	4	45
505 AF Fund Equip	12770	0	0.40	51	29	12850
506 DLA Fund Equip	1023	0	-1.00	-11	3	1015
507 GSA Fund Equip	934	0	1.60	15	5	954
599 Total Fund Equip	16763	0		203	-65	16901
602 Army Depot Cmd Maint	0	0	12.70	0	0	0
611 Naval Surface War Ctr	0	0	1.60	0	0	0
615 Data Automat Ctr Navy	11	0	-11.40	-1	1	11
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	0	0	4.90	0	0	0
631 Naval Civil Engnr Ctr	0	0	-0.60	0	0	0
633 Naval Pub & Prnt Svc	553	0	5.70	32	-19	566

Other Health Activities

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Exhibit OP-32

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
 (Dollars in Thousands)

FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE 0TH HLTH ACTIVITIES - DHP					
634 Nav Pub Wrks Ctr: Utilities	0	0	-9.30	0	0
635 Nav Pub Wrks Ctr: Pub Wrks	48	0	-1.40	-1	2
637 Naval Shipyards	7	0	-12.10	-1	2
653 Airlift Svcs Trng & Ops	21489	0	3.70	795	20952
671 Communications Svc	-241	0	-0.60	2	-5
673 Def Finance & Acct Svc	0	0	3.70	0	0
679 Cost Reimbursible Svc	0	0	1.60	0	0
699 Total Purchases	21867	0		826	-1351
					21342
701 MAC Cargo	0	0	7.00	0	0
702 MAC SAAM	0	0	-0.90	0	0
711 MSC Cargo	0	0	-24.80	0	0
721 MTMC Port Handling	0	0	-30.80	0	0
725 MTMC Other	71	0	0.00	0	2
771 Commercial Transportation	2409	0	1.60	38	73
799 Total Transportation	2480	0		38	2460
					2533
9XX Civ Pay Reimburs Host	257733	-1	3.03	7811	-9792
901 Foreign Nat Ind Hire	14679	-1	3.03	446	255751
902 Separation Liability	920	0	3.03	28	-1012
912 Rental Pay to GSA	2381	0	0.00	0	14112
913 Purchased Utilities	110	0	1.60	2	-947
914 Purchased Communica	637	0	1.60	10	1
915 Rents non GSA	1628	0	1.60	26	2381
917 Postal Svcs	110	0	0.00	0	112
920 Supplies & Mat	33810	-1	1.60	542	649
921 Printing & Reproduct	5175	0	1.60	83	1669
					113
					33597
					5285
					27

**Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
Summary of Price and Program Changes
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	<u>FY1998 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1999 Program</u>
LINE 0TH HLTH ACTIVITIES - DHP						
922 Equipt Maint Contract	4167	0	1.60	66	24	4257
923 Facility Maint Contract	71	0	1.60	1	7	79
925 Equipt Purchases	36356	0	1.60	581	214	37151
926 Overseas Purchases	18	0	1.60	0	1	19
930 Other Depot Maint	25254	0	1.60	404	604	26262
931 Contract Consultants	5	0	1.60	0	0	5
932 Mgmt & Prof Spt Svc	9896	0	1.60	158	238	10292
933 Studies Analysis Eval	22601	0	1.60	361	878	23840
934 Engineering Tech Svc	0	0	1.60	0	0	0
937 Fuel	26	0	1.60	0	0	26
988 Grants	0	0	1.60	0	0	0
989 Other Contracts	405861	-2	3.90	15832	-110491	311200
998 Other Costs*	3720	0	1.60	60	14	3794
999 Total Purchases	825158	-5			26411	-120969
9999 TOTAL	951835	-5			27232	-124025
						855037

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Operation and Maintenance**

Sub-activity Group: Base Operations Support

I. Description of Operations Financed: Base Operations (BASOPS) refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities supporting active duty combat forces, reserve and guard components, training, military dependents, eligible retirees, and family members. The program consists of seven components:

Environmental - costs required to comply with environmental laws, regulations, criteria, and standards. This applies to manpower, training, travel, and supplies.

Minor Construction - all construction costs less than the statutory maximum amount for minor military construction projects as established by section 2805 of Title 10 U.S.C. in support of medical centers and other installations with a primary mission of health care.

Maintenance and Repair - costs required to execute maintenance and repair of utilities, buildings, other facilities, pavements, land, and grounds. This includes, but is not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance work such as caulking, painting, etc. in medical centers and other installations with a primary mission of health care.

Visual Information Systems - costs required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated costs specifically identifiable to visual information productions, services, and support.

Base Communications - costs required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS base communications facilities and equipment systems that provide local communications worldwide to installations and activities.

Base Operation Support - costs required to provide comptroller services, ADP services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, installation safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services, and moral, welfare and recreation activities.

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Real Property Services - Two new program elements were established in FY 1995 for CONUS and OCONUS costs. In previous periods, the costs were included within Base Operation Support program elements. As now defined, costs include purchased utilities, air conditioning and refrigeration, utility fuels, fire protection, crash rescue, snow and ice removal, entomological services, elevator maintenance/inspections, custodial services, refuse collection and disposal, sewer and waste systems, rental of real property, facility engineering and public works management, other installation engineering services and other annual service requirements performed in-house or by contract.

II. Force Structure Summary:

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Hospitals/Medical Centers	115	108	102	98	98	98	98
Medical Clinics	471	480	489	489	489	489	489

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 FY 1999 Amended Budget Estimates
 Operation and Maintenance

III. Financial Summary (\$ in Thousands):

A. Sub-Activity Group: Base Operations Support

	FY 1998		FY 1999	
	<u>Budget Request</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>Budget Request</u>
Environmental	22,382	32,676	32,676	25,449
Minor Construction	55,309	40,333	40,333	41,406
Maintenance and Repair	366,129	344,413	344,413	314,934
Real Property Services	217,429	247,235	247,235	238,548
Visual Information Systems	7,872	8,234	8,234	8,115
Base Communications	46,849	48,964	48,964	45,639
Base Operations	<u>301,679</u>	<u>310,092</u>	<u>310,092</u>	<u>303,428</u>
Total	1,017,649	1,031,947	1,031,947	977,519
				1,016,289

Defense Health Program Appropriation
FY 1999 Amended Budget Estimates
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III. Financial Summary (Continued--\$ in Thousands):

B. Reconciliation Summary:

	Change <u>FY 1998 / FY 1998</u>	Change <u>FY 1998 / FY 1999</u>
Baseline Funding	1,031,947	977,519
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	12,717
Functional Transfer	0	0
Program Changes	-54,428	26,053
Current Estimate	977,519	1,016,289

C. OP-32 Line Item: See Exhibit Op-32

D. Reconciliation: Increases and Decreases

1. FY 1998 President's Budget
2. FY 1998 Appropriated
3. Program Decreases

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a. Environmental Programs	-\$7,227
Reduces Environmental Conservation, Pollution Prevention, and Environmental Compliance programs to mission critical levels. All projects/programs not statutorily required or without life/safety implications were deferred so all possible resources could be directed to resourcing shortages in health care delivery budget activity groups.	
b. Maintenance & Repair	-\$29,479
Realigns resources to below established RPM funding guidance to support critical shortages in health care delivery budget activity groups.	
c. Real Property Services	-\$8,687
Realigns resources to support critical shortages in health care delivery budget activity groups.	
d. Base Operations / Base Communications	-\$9,035
Reflects reduction in non-mission critical base operations/base communications activity. Realigns resources to critically underfunded health care delivery activities.	
4. FY 1998 Current Estimate	\$977,519
5. Price Growth	\$12,717
6. Program Increase	

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a. Beneficial Occupancies	\$6,438	Reflects increase in operating costs of ownership of additional plant value as a result of occupancy of new or expanded facilities. Utilities, engineering support, custodial, and base communications increases are required to support projects constructed under defense Medical, Japanese Facilities Improvement Program. In FY 99, this includes medical and dental clinics at Key West, Miramar, Camp Pendleton, Cappodochino, JFIP projects in Yokosuka and Okinawa.
b. Maintenance & Repair	\$6,667	Provides resources to support critical maintenance and repair projects previously deferred due to fiscal constraints.
c. Base Communications	\$1,850	Reflects costs necessary to accommodate the proliferation of information management technologies including CHCS, Telemedicine, and ADS.
d. Real Property Services	\$6,098	Reflects programmatic adjustment necessary to address critical Real Property Services shortfall.
e. Commercial Activities	\$5,000	Provides seed money to conduct A-76 reviews mandated by the Quadrennial Defense Review
7. FY 1999 Current Estimate	\$1,016,289	

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
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	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 1997/1998</u>	<u>FY 1998/1999</u>
<u>Active Military End Strength</u>					
Officer	749	724	771	-25	47
Enlisted	<u>2,202</u>	<u>2,156</u>	<u>2,246</u>	<u>-46</u>	<u>90</u>
Total Military End Strength	<u>2,951</u>	<u>2,880</u>	<u>3,017</u>	<u>-71</u>	<u>137</u>
<u>Civilian End Strength</u>					
U.S. Direct Hire	3,174	3,048	2,994	-126	-54
Foreign National Direct Hire	<u>57</u>	<u>56</u>	<u>56</u>	<u>-1</u>	<u>0</u>
Total Direct Hire	<u>3,231</u>	<u>3,104</u>	<u>3,050</u>	<u>-127</u>	<u>-54</u>
Foreign National Indirect Hire	<u>119</u>	<u>111</u>	<u>110</u>	<u>-8</u>	<u>-1</u>
Total Civilian End Strength	<u>3,350</u>	<u>3,215</u>	<u>3,160</u>	<u>-135</u>	<u>-55</u>
<u>Military Workyears</u>					
Officer	753	737	748	-17	11
Enlisted	<u>2,198</u>	<u>2,179</u>	<u>2,201</u>	<u>-19</u>	<u>22</u>
Total Military Workyears	<u>2,951</u>	<u>2,916</u>	<u>2,949</u>	<u>-36</u>	<u>33</u>
<u>Civilian Workyears (Total)</u>					
U.S. Direct Hire	3,361	3,043	2,985	-318	-58
Foreign National Direct Hire	<u>54</u>	<u>56</u>	<u>56</u>	<u>2</u>	<u>0</u>
Total Direct Hire	<u>3,415</u>	<u>3,099</u>	<u>3,041</u>	<u>-316</u>	<u>-58</u>
Foreign National Indirect Hire	<u>106</u>	<u>109</u>	<u>108</u>	<u>3</u>	<u>-1</u>
Total Civilian Workyears	<u>3,521</u>	<u>3,208</u>	<u>3,149</u>	<u>-313</u>	<u>-59</u>

Defense Health Program Appropriation
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 Summary of Price and Program Changes
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LINE DHP BOS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1998 Program
308 Travel of Persons	6722	2	1.50	101	-235	6590
399 Total Travel	6722	2		101	-235	6590
401 DFSC Fuel	4349	0	19.70	857	-178	5028
402 Service Fund Fuel	934	0	19.70	184	-45	1073
411 Army Sup & Mat	45	0	2.30	1	-1	45
412 Navy Sup & Mat	1516	0	26.30	399	-444	1471
414 AF Sup & Mat	0	0	19.30	0	0	0
415 DLA Sup & Mat	833	0	1.60	13	-38	808
416 GSA Sup & Mat	1082	0	1.50	16	-27	1071
417 Local Proc Sup & Mat	5510	77	1.50	86	-115	5558
499 Total Sup & Mat	14269	77		1556	-848	15054
502 Army Fund Equip	0	0	2.30	0	0	0
503 Navy Fund Equip	202	0	26.30	53	-59	196
505 AF Fund Equip	148	0	19.30	29	0	177
506 DLA Fund Equip	54	0	1.60	1	-2	53
507 GSA Fund Equip	1351	0	1.50	20	-39	1332
599 Total Fund Equip	1755	0		103	-100	1758
602 Army Depot Cmd Maint	9	0	4.00	0	0	9
611 Naval Surface War Ctr	256	0	8.10	21	-29	248
615 Data Automat Ctr Navy	0	0	6.80	0	0	0
620 Fleet Aux Ships Navy	0	0	1.50	0	0	0
630 Naval Rsch Lab	1	0	-0.10	0	0	1
631 Naval Civil Engnr Ctr	7908	0	2.10	166	-404	7670
633 Naval Pub & Prnt Svc	1607	0	-4.00	-64	15	1558

Defense Health Program Appropriation
 FY 1999 Amended Budget Estimates
 Summary of Price and Program Changes
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LINE DHP BOS	FY1997 Program	Foreign Currency Adjust	Price Growth Percent	Price Amount	Program Growth	FY1998 Program
634 Nav Pub Wkls Ctr: Utilitie	25944	0	-1.00	-259	-523	25162
635 Nav Pub Wkls Ctr: Pub W	87147	0	0.30	261	-2889	84519
637 Naval Shipyards	0	0	19.60	0	0	0
653 Airlift Svcs Trng & Ops	0	0	19.80	0	0	0
671 Communications Svc	4838	0	-11.00	-533	244	4549
673 Def Finance & Acct Svc	73438	0	-12.60	-9253	3258	67443
679 Cost Reimbursible Svc	544	0	1.50	8	-25	527
699 Total Purchases	201692	0		-9653	-353	191686
701 MAC Cargo	9	0	5.00	0	0	9
702 MAC SAAM	0	0	17.80	0	0	0
711 MSC Cargo	0	0	9.30	0	0	0
721 MTMC Port Handling	0	0	5.70	0	0	0
725 MTMC Other	0	0	-7.90	0	0	0
771 Commercial Transportation	3337	3	1.50	50	-64	3326
799 Total Transportation	3346	3		50	-64	3335
9XX Civ Pay Reimburs Host	143341	185	2.20	3164	-9736	136954
901 Foreign Nat Ind Hire	3148	198	2.20	82	602	4030
902 Separation Liability	1014	0	2.20	22	-520	516
912 Rental Pay to GSA	4218	0	0.00	0	-127	4091
913 Purchased Utilities	69252	27	1.50	1039	-1580	68738
914 Purchased Communica	27911	36	1.50	420	24063	52430
915 Rents non GSA	4337	23	1.50	66	-130	4296
917 Postal Svcs	1545	0	0.00	0	-34	1511
920 Supplies & Mat	15923	286	1.50	252	-697	15764
921 Printing & Reproduct	2236	0	1.50	33	-39	2230

Defense Health Program Appropriation
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	<u>FY1997 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1998 Program</u>
LINE DHP BOS						
922 Equipt Maint Contract	4822	14	1.50	74	-81	4829
923 Facility Maint Contract	130053	82	1.50	1954	15389	147478
925 Equipt Purchases	19151	28	1.50	289	-821	18647
926 Overseas Purchases	2288	3	1.50	34	11	2336
930 Other Depot Maint	135	0	1.50	2	-6	131
931 Contract Consultants	0	0	1.50	0	0	0
932 Mgmt & Prof Spt Svc	0	0	1.50	0	0	0
933 Studies Analysis Eval	313	0	1.50	5	2	320
934 Engineering Tech Svc	0	0	1.50	0	0	0
937 Fuel	484	2	1.50	7	-29	464
988 Grants	0	0	1.50	0	0	0
989 Other Contracts	357502	363	1.50	5377	-71081	292161
998 Other Costs*	2192	0	1.50	33	-55	2170
999 Total Purchases	789865	1247		12853	-44869	759096
9999 TOTAL	1017649	1329		5010	-46469	977519

Defense Health Program Appropriation
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LINE DHP BOS	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
308 Travel of Persons	6590	0	1.60	106	63	6759
399 Total Travel	6590	0		106	63	6759
401 DFSC Fuel	5028	0	-8.80	-442	153	4739
402 Service Fund Fuel	1073	0	-8.80	-94	27	1006
411 Army Sup & Mat	45	0	7.60	3	-3	45
412 Navy Sup & Mat	1471	0	-5.80	-85	125	1511
414 AF Sup & Mat	0	0	0.40	0	0	0
415 DLA Sup & Mat	808	0	-1.00	-8	30	830
416 GSA Sup & Mat	1071	0	1.60	17	10	1098
417 Local Proc Sup & Mat	5558	-2	1.60	90	35	5681
499 Total Sup & Mat	15054	-2		-519	377	14910
502 Army Fund Equip	0	0	7.60	0	0	0
503 Navy Fund Equip	196	0	-5.80	-11	16	201
505 AF Fund Equip	177	0	0.40	1	-1	177
506 DLA Fund Equip	53	0	-1.00	-1	2	54
507 GSA Fund Equip	1332	0	1.60	21	13	1366
599 Total Fund Equip	1758	0		10	30	1798
602 Army Depot Cmd Maint	9	0	12.70	1	-1	9
611 Naval Surface War Ctr	248	0	1.60	4	3	255
615 Data Automat Ctr Navy	0	0	-11.40	0	0	0
620 Fleet Aux Ships Navy	0	0	1.60	0	0	0
630 Naval Rsch Lab	1	0	4.90	0	0	1
631 Naval Civil Engnr Ctr	7670	0	-0.60	-46	253	7877
633 Naval Pub & Prmt Svc	1558	0	5.70	89	-47	1600

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	FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP BOS						
634	Nav Pub Wrks Ctr. Utilities	25162	0	-9.30	-2340	3021
635	Nav Pub Wrks Ctr. Pub Wrks	84519	0	-1.40	-1183	3471
637	Naval Shipyards	0	0	-12.10	0	0
653	Airlift Svcs Trng & Ops	0	0	3.70	0	0
671	Communications Svc	4549	0	-0.60	-27	-88
673	Def Finance & Act Svc	67443	0	3.70	2496	-1890
679	Cost Reimbursible Svc	527	0	1.60	8	541
699	Total Purchases	191686	0	-998	4728	195416
701	MAC Cargo	9	0	7.00	1	-1
702	MAC SAAM	0	0	-0.90	0	0
711	MSC Cargo	0	0	-24.80	0	0
721	MTMC Port Handling	0	0	-30.80	0	0
725	MTMC Other	0	0	0.00	0	0
771	Commercial Transportation	3326	0	1.60	53	26
799	Total Transportation	3335	0	54	25	3414
9XX	Civ Pay Reimburs Host	136954	-6	3.03	4155	-2494
901	Foreign Nat Ind Hire	4030	-6	3.03	129	138609
902	Separation Liability	516	0	3.03	15	3839
912	Rental Pay to GSA	4091	0	0.00	0	-314
913	Purchased Utilities	68738	-1	1.60	1100	-531
914	Purchased Communica	52430	-1	1.60	839	0
915	Rents non GSA	4296	-1	1.60	69	4202
917	Postal Svcs	1511	0	0.00	0	70408
920	Supplies & Mat	15764	-9	1.60	258	139
921	Printing & Reproduct	2230	0	1.60	36	16152
						2283

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FY1998 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1999 Program
LINE DHP BOS					
922 Equipt Maint Contract	4829	0	1.60	78	35
923 Facility Maint Contract	147478	-3	1.60	2361	988
925 Equipt Purchases	18647	-1	1.60	298	199
926 Overseas Purchases	2336	0	1.60	37	12
930 Other Depot Maint	131	0	1.60	2	2
931 Contract Consultants	0	0	1.60	0	0
932 Mgmt & Prof Spt Svc	0	0	1.60	0	0
933 Studies Analysis Eval	320	0	1.60	5	2
934 Engineering Tech Svc	0	0	1.60	0	0
937 Fuel	464	0	1.60	8	-7
988 Grants	0	0	1.60	0	0
989 Other Contracts	292161	-11	1.60	4681	14156
998 Other Costs*	2170	0	1.60	34	18
999 Total Purchases	759096	-39		14105	20830
9999 TOTAL	977519	-41		12758	26053
					1016289